

**EXHIBIT B**  
**PART 2 OF 10**

**EXHIBIT CC TO THE DECLARATION OF  
LISA J. CISNEROS IN SUPPORT OF  
PLAINTIFFS' NOTICE OF SUPPLEMENTAL  
MOTION AND MOTION FOR CLASS  
CERTIFICATION**

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN JOSE DIVISION  
4

5 IN RE: HIGH-TECH EMPLOYEE )  
6 ANTITRUST LITIGATION )  
7 ) No. 11-CV-2509-LHK  
8 THIS DOCUMENT RELATES TO: )  
9 ALL ACTIONS. )

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11  
12 VIDEO DEPOSITION OF PATRICIA MURRAY  
13 February 14, 2013  
14

15 Reported by: Anne Torreano, CSR No. 10520  
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1 Q. Okay.

2 A. Or shall I say several. There were several.

3 Q. Okay. Now, as the director and VP of human  
4 resources or -- if I use the initials "HR," will you  
09:32:49 5 know what I mean?

6 A. Yes.

7 Q. As --

8 A. I will stipulate that "HR" means "human  
9 resources."

09:32:55 10 Q. We lapse into jargon very quickly.

11 As the director and VP of HR, what was your  
12 role with respect to setting or determining  
13 compensation?

14 A. I managed a large compensation and benefits  
09:33:15 15 group that had responsibility for determining  
16 compensation on a worldwide basis that worked with the  
17 chief administrative officer, the chief operating  
18 officer, the CEO, and the board of directors in order  
19 to determine the appropriate compensation for employees  
09:33:33 20 on a worldwide basis.

21 Q. And when you say "on a worldwide basis," does  
22 that mean the entire Intel corporate organization  
23 worldwide?

24 A. Yes, that does.

09:33:42 25 Q. Now, what -- or is -- or while you were the

1 director and VP of HR, was -- was compensation  
2 determined on a -- on a companywide basis on an annual  
3 basis? Let me ask a better question.

4 Was there an annual process that the company  
09:34:34 5 used to determine compensation?

6 A. We do have an annual process during which  
7 specific decisions are made, but we would refresh that  
8 process whenever necessary.

9 Q. Okay. Can you describe for me the general  
09:34:52 10 annual process that was used to set compensation?

11 A. The annual process had a focal point during  
12 which the decisions about compensation were made, but  
13 the process went on all year-round.

14 There's a large group of people who are  
09:35:11 15 determining salaries based on markets that are all over  
16 the world, who are sharing data obtained from different  
17 surveys and groups, updating us as to how the markets  
18 are moving with specific job titles, job categories,  
19 geographical markets, and providing us information  
09:35:35 20 about all of that.

21 And then we would have a routine process that  
22 once a year we would deliver performance reviews and  
23 then salary increases in April generally for employees  
24 at large. If -- had the data showed something  
09:35:56 25 interesting, there may be other times during the year

1 that we would do something with respect to  
2 compensation.

3 Q. Was there kind of a regular pattern or  
4 practice or seasonality to this compensation program?

09:36:10 5 MR. PICKETT: As to timing you mean?

6 MR. SAVERI: Yeah, let me ask a better  
7 question.

8 BY MR. SAVERI:

9 Q. Would there be a particular time of year when  
09:36:16 10 this cycle would begin, or were there distinct parts of  
11 that cycle?

12 A. You're asking a relatively sophisticated  
13 question about how the compensation people ran it, and  
14 I'm not an expert on that. Basically what I'm saying  
09:36:32 15 is they would be ready to make a salary recommendation  
16 or salary increase recommendations at our focal period,  
17 which is April of every year. But they did different  
18 things throughout the year, and those are based on how  
19 markets are moving, what's happening in geography.

09:36:52 20 So while there is that focal point, let's  
21 deliver performance reviews and salary increases in  
22 April, what happened throughout that entire year up to  
23 the point in April differed quite a bit.

24 Q. Okay. So what happened in April?

09:37:09 25 A. Performance reviews and salary increases were

1 delivered to employees.

2 Q. Okay. And what was your role in the --

3 this -- in the -- I've seen references to "focal" in

4 the document, and I don't know whether that -- and you

09:37:34 5 used the word "focal point," and I don't know if you're

6 using -- if we're using the same term.

7 What was this -- what was the focal program,

8 as that term was used at Intel?

9 A. "Focal" is a word that refers to that point

09:37:50 10 where performance reviews and salary increases are

11 delivered generally routinely.

12 Q. Okay.

13 A. So "focal" means that April period where you

14 get your review and your pay letter that would deliver

09:38:04 15 a pay raise.

16 Q. As the director and VP of HR, what was your

17 role in that process?

18 A. Well, my role --

19 Q. As a -- as a general matter.

09:38:13 20 MR. PICKETT: In the focal --

21 THE WITNESS: In the focal process?

22 MR. SAVERI: Yes.

23 THE WITNESS: My role was to manage the

24 compensation and benefits department. My role was to

09:38:24 25 manage the human resource business partners, all of

1 that all things being equal, and nothing being highly  
2 unusual, they'd start taking a look at how to plan for  
3 a budget approval process beginning in October and with  
4 the hope of approval in March or so to deliver pay  
09:45:53 5 letters in April.

6 Q. Okay. When you say "they," were these people  
7 that reported up to you in the HR department as a  
8 general matter?

9 A. When I say "they," I'm referring to all of the  
09:46:06 10 people who give input to the compensation development  
11 process. Most of them, the compensation experts,  
12 reported up to me through a variety of people, but a  
13 lot of people provided input. Managers would provide  
14 input about how they felt -- you know, how easy it was  
09:46:26 15 to retain their employees and, you know, were they  
16 losing them, how hard it was to obtain them from the  
17 outside.

18 So we had lots of input into the process.

19 Q. Now, if we just look at the back of this  
09:46:37 20 document for a second --

21 A. Yeah.

22 Q. -- it -- on the slide underneath this kind of  
23 October -- well, top of the slide it talks about focal  
24 budget development. The next line says, "Analyze  
09:46:53 25 market survey data."



1 Do you see that?

2 A. Yes.

3 Q. As part of the focal process generally, was  
4 one of the tasks to analyze market survey data?

09:47:03 5 A. Yes, it is.

6 Q. And can you describe how the -- how you or the  
7 organization that you supervised analyzed -- strike  
8 that.

9 For what purpose did the people who are  
09:47:22 10 working on the focal budget analyze market survey data?

11 A. Again, we're talking about a worldwide process.

12 Q. Right.

13 A. There are market surveys available based on --  
14 excuse me, job categories, geographies. We would  
09:47:38 15 obtain these surveys to determine what the market rate  
16 for a particular job classification, level of seniority  
17 inside of that job classification were in order to  
18 understand where the market is going in order for us to  
19 understand or make a decision about what we wanted to  
09:47:57 20 do with respect to our own focal process or pay  
21 delivery.

22 Q. Okay. And this slide then refers to three  
23 kind of categories of concepts. I don't want to  
24 mischaracterize them, but the first is "Review external  
09:48:21 25 climate," the next is "Review internal climate," and

1 the third is "Review cost."

2 Do you see that?

3 A. Yes, I see it.

4 Q. Let me just ask you. As part of the analysis  
09:48:36 5 of -- well, as part of the focal budget process, was  
6 one of the tasks to review the external climate?

7 A. Yes, one of the tasks in the focal budget  
8 development was to review external climate. It was  
9 also a task of theirs throughout the year.

09:48:55 10 Q. And this also refers, if you'll stay with me,  
11 to reviewing the internal climate.

12 Was that also part of -- one of the tasks that  
13 the people putting together the focal budget performed  
14 on a regular basis?

09:49:09 15 A. Yes.

16 Q. And then the third that's indicated here is  
17 "Review cost."

18 Was -- was it also part of the task of the  
19 people putting together the focal budget to review  
09:49:20 20 costs?

21 A. The cost of the budget, yes.

22 Q. Now, when the focal budget process started, as  
23 a general matter, was there -- had a -- had the budget  
24 been determined?

09:49:39 25 A. No, this is the process of determining a

1 the place that say, "We should check with this person,"  
2 "Do you want me to say this?"

3 So we're not referring to any document that  
4 was finalized and presented.

09:55:29 5 Q. Okay.

6 A. It's preceded by a bunch of things that seem  
7 to have the title of "Field Factory Compensation  
8 Conversion." Then there's a leap-ahead foil and then  
9 the group you're referring to. I have no idea what  
09:55:46 10 this document was or was intended to be. It's very  
11 clear it's not a final document.

12 Q. Fair enough. And I appreciate that.

13 So -- but I was -- I've been asking some  
14 questions to try to understand the focal process and  
09:56:02 15 some of the inputs and practice into that.

16 And so again, looking at the -- at the page  
17 with the slide at the top that's entitled "External  
18 Climate," do you have that in front of you?

19 A. I do.

09:56:14 20 Q. And let me just ask you generally. There are  
21 a couple -- there are several -- I don't know if you  
22 call them bullet points or arrows under the "External  
23 Climate" title, including [REDACTED]

24 [REDACTED]

09:56:31 25 [REDACTED]

1

2

3

Do you see those?

4

A. Yes.

09:56:41

5

Q. Can you tell me, as a general matter, as part of the focal process, did Intel look at these sorts of items in connection with their review of the external climate in connection with the focal process?

9

09:57:12

10

A. Yes, at a high level we reviewed the external environment, and these reflect some indicators of the external environment. I certainly can't say whether these are all of them, and I'm not a compensation expert to determine the specifics, but generally speaking, these are indicators of the external environment in a number of geographies around the world.

17

Q. Can you tell me, as a general matter, why Intel looked at competitors -- or competitor practices or budgets in connection with the focal process?

09:57:46

20

A. I actually don't even know what "competitor practices or budgets" in this line means.

22

Q. Okay.

23

A. There's a variety of definitions for

24

"competitor," and one of the usages of "competitors," though I don't know that this is it --

09:58:11

25

1 Q. Yeah.

2 A. -- is competitors for the same talent. So  
3 those may be very close partners to Intel who hired the  
4 same kind of people, that in the compensation world is  
09:58:27 5 sometimes referred to as a competitor because they're  
6 competitors for the same kinds of people. They're not  
7 business competitors necessarily. They may be.

8 I do not know whether that's what this foil is  
9 referring to.

09:58:41 10 Q. Using the concept that you were just  
11 discussing with respect to competitors, can you tell me  
12 generally why that was important to Intel --

13 MR. PICKETT: Go ahead. I have an objection.

14 Go ahead.

09:58:58 15 BY MR. SAVERI:

16 Q. Why was it important to Intel in connection  
17 with developing its compensation practice?

18 MR. PICKETT: No foundation. You haven't  
19 established that it was important. You're assuming it  
09:59:06 20 in your question.

21 BY MR. SAVERI:

22 Q. Okay. Well, was it -- let me just back up  
23 then.

24 Was the information regarding competitors that  
09:59:17 25 you just discussed or identified something that Intel

1 looked at in connection with developing its  
2 compensation practices?

3 A. What was important to Intel in developing its  
4 compensation practices is to look at people in similar  
09:59:34 5 industries who hired similar kinds of talent in order  
6 to understand the market for that talent.

7 So, for example, where we hired engineers in a  
8 particular geography, it would be important to know who  
9 else was hiring those kinds of engineers and what are  
09:59:53 10 the market -- what would the market surveys tell us  
11 about that.

12 If we were hiring finance MBAs, there would be  
13 a whole different set of surveys and industries that we  
14 would be looking at in order to determine what those  
10:00:10 15 salaries would be.

16 Q. Okay. So you talked about hiring, but as I  
17 understand focal, it also has to do with setting  
18 compensation not only for -- also for retention and  
19 paying people who are already working at the company;  
10:00:24 20 correct?

21 A. That is correct, yes.

22 Q. And in connection with setting compensation  
23 for those people who are at the company, who I guess  
24 Intel is interested in retaining, why -- excuse me, to  
10:00:40 25 what -- what use did Intel use information regarding

1 competitors, as you've described it, in setting  
2 compensation?

3 A. I think I answered that, but let me try again.

4 The use that we would -- the reason we would  
10:01:01 5 collect data on similar industries would be to  
6 understand the market for talent in those industries.

7 Q. So for example, when you say you wanted to  
8 understand the market, I mean, for example, would --  
9 would the information you wanted to understand be  
10:01:24 10 whether other -- whether the competitors, other  
11 companies, were hiring?

12 For example, were they expanding their  
13 workforce?

14 A. I didn't understand the question.

10:01:35 15 Q. Okay. When you were looking at information  
16 regarding these competitors, which are other firms --  
17 and I don't want to get hung up about whether they're  
18 business competitors. I think you made that  
19 distinction -- what type of information regarding the  
10:01:54 20 competitors would be -- did Intel want to obtain as  
21 part of determining compensation for people who were  
22 already employees of Intel?

23 A. You're actually asking a pretty specific  
24 compensation expert answer.

10:02:14 25 Q. Okay.

1                   There's a lot of elements into the T-Cash  
2                   program.

3           Q.     Okay.

4           A.     I am certain that there's a specific  
10:11:11 5           definition and I don't know -- you know, it has those  
6           elements, but I'm not giving you the precise  
7           definition, so I want you to be aware of that.

8           Q.     Fair enough, but as a general matter, you've  
9           given me kind of a general overview --

10:11:23 10          A.     Yes.

11          Q.     -- of the components of total compensation at  
12           Intel?

13          A.     Yes.

14          Q.     Okay.

10:11:27 15          A.     Yes, I have.

16          Q.     Now, under the -- in the comments there's a  
17           second bullet that begins, "Are there specific areas."

18                   Do you see that?

19          A.     "Are there specific areas where we are  
10:11:39 20           experiencing" -- is that what you're referring to?

21          Q.     Yeah, let me read it to you.

22                   It says, "Are there specific areas where we  
23           are experiencing market/internal equity issues?"

24                   Do you see that?

10:11:49 25          A.     Mm-hmm.



1 Q. Do you know what this reference here is to  
2 "market/internal equity issues"?

3 A. I honestly do not.

4 Q. Okay. Are you familiar with the term  
10:12:05 5 "internal equity" as it's used in connection with  
6 setting or determining compensation?

7 A. Yes, I am.

8 Q. And what's your general understanding of that  
9 term?

10:12:14 10 A. My general understanding of internal equity,  
11 it is a process by which a manager or group of managers  
12 or even a department judges whether people are being  
13 paid fairly next to one another inside the company.

14 Q. Was -- or were considerations -- or strike  
10:12:40 15 that.

16 Was internal equity considered in determining  
17 compensation at Intel?

18 MR. PICKETT: Overall?

19 MR. SAVERI: As a general matter.

10:12:56 20 THE WITNESS: Internal equity was considered  
21 in determining an individual's compensation if it was  
22 used in the total compensation determination. I'm not  
23 certain I can speak to how.

24 BY MR. SAVERI:

10:13:15 25 Q. Okay. Could you flip to the next page,

1 please?

2 And if you'll note, the title of the slide or  
3 that page is "Total Cash Compensation Strategy."

4 Do you see that?

10:13:46 5 A. Yes.

6 Q. Now, was the concept of a total cash  
7 compensation strategy used at Intel in setting  
8 compensation?

9 A. The compensation and benefits experts had many  
10:14:12 10 strategies in order to achieve their overall goal.  
11 Strategies on how to deliver cash was one of them.

12 Q. Okay. Now, the first bullet here says, "Total  
13 cash position of market POM target."

14 Do you see that?

10:14:30 15 A. Yes, I do.

16 Q. Do you recognize that terminology?

17 A. I recognize it. I cannot define it.

18 Q. So let me just ask the question.

19 Can you -- I've seen from time to time

10:14:48 20 references to position of market, or POM, in the Intel  
21 documents. Could you generally describe to me how that  
22 concept or metric was used or statistic -- I don't know  
23 if it's a statistic -- how that was used at Intel as  
24 part of its determination of compensation?

10:15:07 25 A. At the highest level, it's an evaluation of

1 our market position with respect to particular job  
2 categories. How it was used changed regularly. The  
3 math changed regularly, and even the definition of POM  
4 changed regularly. So I cannot go below the highest  
10:15:26 5 level to say we were trying to determine our market  
6 position for similarly situated employees.

7 Q. Well, is it fair to say that at a general  
8 level, the concept was considered as part of the focal  
9 process?

10:15:43 10 A. Yes, that's fair to say.

11 Q. And is it -- with the passage of time, did the  
12 position of market target change?

13 I mean, was it the kind of thing where one  
14 year you at Intel said we want to change the target,  
10:16:05 15 or -- I mean, I don't understand. Is it -- let me just  
16 ask this question: How is the -- how is the position  
17 of market target measured?

18 A. I said I am not an expert on position of  
19 market. It's a sophisticated concept, and I honestly  
10:16:21 20 can't ask very -- answer very specific questions about  
21 it.

22 Q. Now, the next kind of main bullet begins, [REDACTED]  
23 [REDACTED] Do you see that? I'll read  
24 it to you.

10:16:46 25 It says, [REDACTED]

1

2

A. Actually, it says, [REDACTED]

3

4

10:16:59

5

Q. Oh, thank you.

6

First, "variable pay," do you see that

7

reference?

8

A. Yes.

9

Q. What was variable pay, as that was used as

10:17:05

10

part of Intel's compensation system?

11

A. Those are the other elements that I referred

12

to, the employee bonus based on the factors I

13

described, the employee cash bonus based on Intel's

14

profitability. Those are -- those varied with company

10:17:21

15

performance and operational performance.

16

Q. Towards the bottom of the page there are

17

discussions of some, I guess, job grades.

18

Do you see that?

19

A. Are you referring to the slide or the notes

10:18:06

20

underneath it?

21

Q. Let me just read you the text I'm referring --

22

A. Okay.

23

Q. -- to.

24

There's a paragraph that begins, "For -- "For

10:18:11

25

grades eight and below." Do you see that?

1 A. Mm-hmm.

2 Q. And then the paragraph below that says,

3 "Employees in grades 9 and above."

4 Do you see that?

10:18:18 5 A. Yes.

6 Q. First, what -- can you tell me what this

7 reference to grades 8 and below is?

8 A. I assume, because I don't know -- I don't know

9 who wrote this document, I don't know that it was ever

10:18:35 10 finalized, but a reference to grades 8 and below

11 generally means people who were in grade bands at Intel

12 who are more junior are at 8 and below.

13 Q. How many -- was it part of your responsibility

14 to categorize employees into job grades?

10:19:00 15 A. Not mine, no.

16 Q. How many job grades were there at Intel?

17 A. Were there when?

18 Q. Well, as a general matter, can you give me

19 some sense of, during the time you were the VP and

10:19:15 20 director of HR, how many job grades there were of

21 Intel?

22 A. The job grades are -- there's exempt grades

23 and nonexempt grades. The exempt grades go from, one

24 would assume, 1, but I don't think there is 1.

10:19:37 25 Something like 2 or 3 up to something like 20. And

1 then there's a variety of nonexempt grades. There's  
2 grades in the sales force. There's a variety of  
3 grades.

4 So this refers to some -- some grades at  
10:19:51 5 Intel.

6 Q. Does everybody at Intel -- is everybody at  
7 Intel assigned to a job grade?

8 A. A classification similar to a grade, yes.

9 Q. Okay. And is that done from the very first  
10:20:06 10 day someone starts to work at Intel?

11 A. Yes, it is, and it changes, of course, if you  
12 change your job.

13 Q. Could you turn to the page that has the Bates  
14 number 7028?

10:20:30 15 A. Yes.

16 Q. It's a page that at the top says "Budget  
17 Strategy."

18 Are you with me?

19 A. I am.

10:20:34 20 Q. Okay. Now, the first item refers -- on that  
21 slide refers to something called "T-Cash goals."

22 Do you see that?

23 A. Yes.

24 Q. What was or what were T-Cash goals as that  
10:20:48 25 concept was used as part of Intel's -- as part of

1 Intel's compensation system?

2 A. I can only assume that the person is referring  
3 to the amount of cash to be delivered through the  
4 compensation process.

10:21:06 5 Q. Now, when was that determined as part of the  
6 process?

7 A. When was what determined?

8 Q. The total amount of cash that was to be  
9 delivered through the compensation process.

10:21:17 10 A. In a routine year, at some point in developing  
11 the budget strategy, again, assuming people actually  
12 followed the process that we're discussing here --

13 Q. Right.

14 A. -- sometimes they did and sometimes they  
10:21:35 15 didn't, but if this process was followed, sometime in  
16 the year they would develop a strategy for [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

10:22:00 20 [REDACTED]

21 Q. Now, are -- were these T-Cash goals developed  
22 on a companywide basis or on an -- is it at the  
23 employee level?

24 A. I honestly cannot define what "T-Cash goals"

10:22:27 25 on this piece of paper means enough to elucidate it

1 A. There isn't a decision where somebody decides  
2 what people are going to be paid. There is a decision  
3 made about what budget percentages will be delivered in  
4 what geographies and job categories.

10:25:08 5 Q. Okay. So two questions about that.

6 Who makes this decision?

7 A. That decision is made by the CEO.

8 Q. And when is that decision made?

9 A. It depends on the year.

10:25:19 10 Q. Right.

11 A. If it's routine, it's made sometime in January  
12 in order to deliver the focal budgets in April.

13 Q. Okay.

14 A. Sometimes it's made in February, sometimes at  
10:25:36 15 other times.

16 Q. And can you describe for me generally the  
17 process that -- let me back up.

18 When the CEO is -- in a routine year is asked  
19 to make that decision, does he -- because it's been a  
10:26:00 20 he -- does he receive a recommendation?

21 A. Sometimes. Sometimes not.

22 Q. And --

23 A. Sometimes the CEO prefers a recommendation.  
24 Sometimes they don't prefer one.

10:26:13 25 Q. Okay. And is the decision of the CEO



1 expressed in terms of a percentage increase from last  
2 year or in some other fashion?

3 A. You're mixing two concepts, and that is the  
4 percent raise delivered to a human being versus the  
10:26:40 5 percent of an entire global worldwide budget.

6 Q. Right.

7 A. The CEO determines the budget. Managers at  
8 every level determine individuals.

9 Q. Well, when the CEO approves the budget --

10:26:55 10 A. That's right.

11 Q. -- is it -- does he approve -- is the budget  
12 expressed as a sum of money, or is it expressed as a  
13 percentage increase from the prior year? How -- how is  
14 it expressed?

10:27:07 15 A. It's a percentage of money. It's how much  
16 money we will spend on our focal budget.

17 Q. Okay. Was it part of your job from time to  
18 time to sit with the CEO and discuss the recommendation  
19 for the -- for the next cycle or year?

10:27:27 20 A. There were many people who advised on the  
21 focal budgets. I certainly had other executives'  
22 opinions who were well versed in the different  
23 geographies, and the sessions with the CEO were  
24 generally presented by the compensation people,  
10:27:48 25 attended by me and the CEO.

1 Q. Now, this -- going back to the page I was  
2 asking you about, there were a number of bullets  
3 underneath the slide entitled "Budget Strategy."

4 Would you say, at a general level, that the  
10:28:16 5 items that are identified here were -- accurately  
6 describe the process of developing a budget strategy  
7 for setting compensation at Intel?

8 A. Again, your question seems to assume for all  
9 people for all times, and so I can't -- I can't answer  
10:28:43 10 that. This -- this is a very high-level discussion of  
11 how to set a strategy.

12 Q. And with those qualifications, though, is it  
13 fair to say from your perspective, that this  
14 accurate -- this accurately describes the inputs into  
10:29:16 15 the budget strategy?

16 A. This describes inputs on any given year on a  
17 particular year. On other years there are other  
18 inputs. So again, I don't know who prepared this  
19 document. These may have been the proper inputs on  
10:29:34 20 that particular year. They may not have, since I'm not  
21 in that year and I don't know what their final  
22 presentation was or -- I think they were not  
23 necessarily spelling this out for another compensation  
24 expert but to train a nonexpert team.

10:29:53 25 So I'm sure they left lots of things out here

1 these steps that are set forth here regarding the  
2 budget approval process and in particular the one where  
3 your name is found.

4 Let me ask you this: As part of -- as part of  
10:43:53 5 the budget approval process, what -- what did you  
6 receive which you either approved or not as part of the  
7 focal process?

8 A. As part of the focal process -- and again, I  
9 need to qualify that because the focal process involves  
10:44:15 10 performance evaluations as well as a budget  
11 determination.

12 Q. And I asked a bad question. In terms of the  
13 budget part of this, what did you receive that you  
14 reviewed and either approved or not?

10:44:28 15 A. I would review numerous documents that  
16 discussed potentially setting budgets around the world  
17 and getting feedback on those documents until we felt  
18 we had a final document to take through these different  
19 processes.

10:44:48 20 So the CMB managers first gave their  
21 blessing. Then they would bring it to me or to me and  
22 Richard. We would ask for edits, et cetera, and things  
23 would go through the process. The approver was the  
24 CEO.

10:45:02 25 Q. And so what -- if you approved -- I mean --

1 excuse me. Once you gave your approval, what -- let me  
2 get at this a different way.

3 Could you turn to the next page, please?  
4 There's a slide entitled "Budget Implementation."

10:45:34 5 A. Yes.

6 Q. And the first item is -- there's something  
7 called a focal tool.

8 Do you see that?

9 A. Yes.

10:45:41 10 Q. Do you know what a focal tool is?

11 A. It's -- it's some software that allows us to  
12 determine merit raises and give raises to individuals.  
13 So it's a tool that managers use in order to determine  
14 raises and salaries and bonuses, et cetera.

10:46:01 15 Q. And was it used to set those items on an  
16 individual basis?

17 A. I don't understand that question.

18 Q. Well, was the focal tool -- back up.

19 Under this item it -- there's four more bullet  
10:46:23 20 points. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 Do you see that?

24 A. Yes.

10:46:33 25 Q. Was all that information loaded into the focal

1 tool?

2 A. Yes, it was.

3 Q. Was that -- were those inputs used to  
4 determine compensation for Intel employees on -- at the  
10:46:48 5 individual level?

6 A. Yes, that is information a manager would be  
7 guided by that was part of the tool.

8 Q. Could you turn to the next page? That page is  
9 entitled "Focal Budget Components Merit"?

10:47:24 10 A. Yes.

11 Q. You with me?

12 A. Mm-hmm.

13 Q. And the first item says, "The main budget  
14 element that matches projected market movement of pay."

10:47:34 15 Can you explain that for me, please?

16 A. I don't know what the person intended. A  
17 merit raise is that part -- excuse me. Excuse me --  
18 that part of the base salary that would -- how much of  
19 a raise you would give to the base salary based on the  
10:48:05 20 movement of market and several other factors, the  
21 individual's performance, et cetera.

22 Q. When you say -- but -- when you say "movement  
23 of market," what do you mean?

24 A. I mean that we talked at length about the  
10:48:21 25 processes that go on on a yearly basis year-round

1 A. Yes.

2 Q. How was promotion slash -- slash -- slash --  
3 slash adjust, as indicated here, used as part of  
4 setting compensation as part of the focal program --  
10:50:33 5 process?

6 A. Your questions are going to the different  
7 elements.

8 Q. Right.

9 A. A merit budget is a budget that says, you  
10:50:42 10 know, because performance has been terrific, there's  
11 this amount of money that can go to merit. If you  
12 receive a promotion from one grade level to another,  
13 there's some money or may be money associated with  
14 that.

10:50:53 15 And "adjust" I assume refers to some things  
16 called special market adjustments where, for example, a  
17 whole category of employees, software engineers,  
18 lawyers, all of a sudden the market is very hot for  
19 those employees, and so an adjustment would be applied  
10:51:16 20 based on the heatedness of the market for those  
21 particular employees.

22 Q. Now, is the special market adjustment that you  
23 just referred to also referred to as an SMA?

24 A. Yes.

10:51:30 25 Q. Okay. Now, here in the first item it says,

1 "Available to use for promotions and internal equity  
2 adjustments."

3 Do you see that?

4 A. Yes.

10:51:44 5 Q. Okay. How was this element used for  
6 promotions and internal equity adjustments?

7 A. Well, if it's available for internal equity  
8 adjustments, it's not a special market adjustment. So  
9 let's -- you know, I'm assuming too much about the  
10:52:09 10 presentation I know nothing about. So there is such a  
11 thing as special market adjustment, but this obviously  
12 is referring to any adjustment you might want to make  
13 for internal equity.

14 Q. And when you say "internal equity," you're  
10:52:22 15 referring to the same things we were talking about a  
16 few minutes ago?

17 A. I'm referring to a manager's judgment about  
18 whether their individual employees are paid properly.

19 Q. With respect to other similarly situated  
10:52:35 20 employees?

21 A. Yes, and -- well, let me edit that. No, it  
22 may not be similarly situated employees. If I'm a  
23 manager who manages a lawyer, a marketing specialist,  
24 an engineer, and an HR person, those people aren't  
10:52:53 25 similarly situated. They provide -- they'll provide

1 value to me. They all have data coming in from  
2 different market surveys, and in the end they're on my  
3 team and I look at them and I say, "Hmm, am I  
4 delivering fair pay to this team?"

10:53:07 5 Q. Why don't you turn to the next page, please.

6 This slide refers to SMA?

7 A. Yes.

8 Q. This slide asks the question, "What is SMA and  
9 why do we use it?"

10:54:04 10 Do you see that?

11 A. Yes, I do.

12 Q. And the answer in part says, in the next  
13 bullet, [REDACTED]

14 [REDACTED]

10:54:16 15 [REDACTED]

16 Do you see that?

17 A. Yes.

18 Q. Is that -- is that a generally accurate  
19 statement of what SMA meant at Intel and why Intel used  
10:54:28 20 it?

21 A. It is a pretty accurate description of why you  
22 would use a special market adjustment. What they --  
23 what this person who wrote this meant by the target  
24 market rate, I do not know.

10:54:43 25 Q. Fair enough.



1 Of the -- if you go two bullets down, this  
2 slide says, [REDACTED]

3 [REDACTED]

4 [REDACTED]

10:54:57 5 Do you see that?

6 A. Yes.

7 Q. Is that generally accurate?

8 A. I think this statement means that what you  
9 have to do is [REDACTED]

10:55:14 10 [REDACTED]

11 [REDACTED] I believe that's what it's saying. So I -- I  
12 don't exactly know how to answer your question is it  
13 accurate.

14 Q. Right. But is it fair to say, though, that in  
10:55:31 15 determining whether a special market adjustment was  
16 appropriate, [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 A. It's fair to say that's one of the things that  
10:56:00 20 was considered.

21 Q. Can you give me a general sense about how --  
22 with what frequency Intel made special market  
23 adjustments?

24 A. I cannot.

10:56:16 25 Q. I mean, did it happen every year? Or for

1 design information that Ogden would need to think about  
2 what do we want to do this year, how do you want to  
3 design the bonus this year.

4 Q. Why was the benchmarking information --  
01:56:56 5 information important to you in consideration -- in  
6 considering the issues regarding the structure of the  
7 bonus program?

8 A. The benchmarking information is simple -- this  
9 is simple information on how people do their bonuses or  
01:57:16 10 whether they consider GAAP or nonGAAP. It's actually  
11 relatively complicated, and I don't want to misstate  
12 any of it.

13 I think Paul's concern is stated in the  
14 e-mail: "I wonder if we're too harsh." And that was  
01:57:30 15 the consider -- that was what we were discussing. "Are  
16 we being too harsh on ourselves in terms of how we do  
17 our employee bonus? Here's some data that suggests  
18 maybe we're too harsh."

19 Q. Can you tell me kind of generally when you or  
01:57:52 20 the organization that you were responsible for were  
21 making determinations about compensation structure or  
22 compensation levels, how much benchmarking was done  
23 in -- as part of that effort?

24 A. I honestly don't know how to answer that  
01:58:14 25 question. I mean, it's so broad.

1 Q. Well, let me -- let me --

2 A. Professionals do benchmark. How they  
3 benchmark and how much they did is information that  
4 I -- I couldn't even begin to speculate on.

01:58:24 5 Q. Well, is it fair to say that benchmarking  
6 information from other competitors wasn't input or  
7 something that was considered in making determinations  
8 regarding the structure of Intel's compensation system  
9 or adjustments to it?

01:58:41 10 A. I don't understand what you mean by  
11 "competitors."

12 Q. Well, I'm sorry. May -- is it fair to say  
13 that when Intel considered its compensation structure  
14 or changes to it, it considered and looked at what  
01:59:06 15 other firms did with respect to the same issues?

16 A. Yes, we would do benchmarking on other  
17 companies who we respected or had contact with.

18 Q. And in this one -- in this particular  
19 instance, the issue has to do with bonuses and perhaps  
01:59:27 20 a highly technical issue regarding how you account for  
21 them; right?

22 A. Honestly, I do not know what the issue here --  
23 this is a -- an issue about accounting, and so I'm not  
24 going to sit here and pretend that I can answer well  
01:59:46 25 questions about accounting measures in the bonus

1 program.

2 Q. Well, did Intel also use benchmarking  
3 information in order -- as part of its consideration of  
4 whether or not to raise salaries?

02:00:03 5 A. I don't know specifically. Again, the  
6 question is too broad and vague to answer you  
7 specifically. What our compensation people  
8 benchmarked, how often do you give raises or what the  
9 raise is going to be, I simply don't know what they  
02:00:22 10 benchmarked.

11 MR. SAVERI: Okay. I'm going to change  
12 subjects now.

13 THE WITNESS: Okay.

14 MR. SAVERI: So he said I'm about to run out  
02:00:28 15 of tape, so let's take a break.

16 THE VIDEOGRAPHER: Okay. This is the end of  
17 video No. 2. We are now off the record at two o'clock.

18 (RECESS TAKEN.)

19 THE VIDEOGRAPHER: We are now on the record at  
02:12:20 20 2:12. This is the beginning of video No. 3.

21 BY MR. SAVERI:

22 Q. Ms. Murray, do you know what Hay points are?

23 A. Hay points?

24 Q. Yeah.

02:12:35 25 A. I do not. Or if I do, I don't know at this

1 moment.

2 Q. Okay. So, for example, to the best of your  
3 knowledge, does Intel use any job evaluation system  
4 that's based on calculation of Hay points?

02:12:49 5 A. I don't know.

6 Q. Okay. Do you -- does Intel calculate compa,  
7 that's c-o-m-p-a ratios?

8 A. I do not know.

9 Q. To the best of your knowledge, has Intel ever  
02:13:38 10 done any kind of quantitative analysis comparing  
11 external market pay survey to internal job categories  
12 or internal job evaluation points?

13 A. I don't understand what you mean by  
14 "quantitative analysis." We certainly use external  
02:14:01 15 surveys in order to understand our markets, where we  
16 are in different geographies and job categories, but --

17 Q. What I say "quantitative," what I meant is  
18 has -- does Intel construct mathematical models?

19 A. I don't know.

02:14:17 20 Q. For example, one could construct a regression  
21 analysis where those are -- those are compared.

22 A. I understand. I still don't know.

23 Q. Okay. And when you say you don't know, do you  
24 mean you don't know -- I don't know whether that means  
02:14:29 25 to the best of your knowledge Intel doesn't do it or

1 you just don't know either way.

2 A. I don't know, not to the best of my knowledge  
3 Intel doesn't do it. My answer is, I don't know if we  
4 do or not.

02:14:41 5 Q. In -- as part of the focal process or some --  
6 or any of the other compensation review processes at  
7 Intel, does Intel use the concept of red circle rates?

8 Are you familiar with that terminology?

9 A. I am not familiar with that terminology.

02:15:09 10 Q. Or green circle rates?

11 A. I'm not familiar with that terminology either.

12 Q. Okay. But in Intel's compensation system, is  
13 it fair to say that for -- for job classifications or  
14 job grades, salary ranges are established?

02:15:35 15 A. There are salary ranges at Intel.

16 Q. And does -- and for each range is there -- I  
17 mean, it's a range, so there's a maximum and there's a  
18 minimum; correct? Is that correct?

19 A. There are in fact quartiles, I believe, and  
02:15:53 20 that refers to base salary in different grade levels,  
21 and then there's -- I believe quartiles. I could be  
22 wrong.

23 Q. Does Intel also do calculations of range -- of  
24 midpoints of those ranges?

02:16:11 25 A. It's a very wide range. So you can calculate

1 a number of points along that range because it's very  
2 wide.

3 Q. Are those kinds of figures or data reviewed or  
4 looked at as part of the focal process?

02:16:24 5 A. I'm not sure I understand the question.

6 Q. Well, okay.

7 At the beginning of the day I showed you some  
8 kind of high-level descriptions of the focal process  
9 that you, I think -- I don't want to put words in your  
02:16:42 10 mouth -- said that they were kind of an -- a high-level  
11 introduction to the focal process.

12 A. Yes.

13 Q. And so I'm asking maybe a little bit more  
14 specific about some of the details of the focal  
02:16:56 15 process.

16 My question is, as part of the focal process,  
17 does Intel look at salary ranges for particular job  
18 categories?

19 A. I believe, and I'm not positive, but I believe  
02:17:19 20 and salary ranges are something that are more enduring  
21 than focal to focal.

22 Q. Okay.

23 A. So while in any given focal that may be true,  
24 salary ranges are looked at, you know, throughout the  
02:17:32 25 year or at different times or every couple of years,

1 Do you have that in front of you?

2 A. I do.

3 Q. And it has a Bates number 76614DOC002657 to  
4 2659.

02:26:23 5 Do you recognize this document?

6 A. No. I --

7 Q. Will you take a moment to review it?

8 A. Yes, I'd like to understand it.

9 This is incomplete. It doesn't make any  
02:27:08 10 sense. "Focal will include rating and merit" -- oh,  
11 merit stock. Okay. Never mind. I get it. I get it.  
12 I'm sorry. That's my problem.

13 Okay. I think I have it.

14 Q. So, Ms. Murray, my first question is, do you  
02:28:45 15 recognize this document?

16 A. I do now, yes.

17 Q. Okay. Could you tell me what it is, please?

18 A. It's a message from Richard and I to HR  
19 employees about the 2009 focal expectations.

02:28:58 20 Q. Now, again, at this time did you and  
21 Mr. Taylor -- were you co-supervising Intel's HR  
22 function?

23 A. Yes, we were.

24 Q. Okay. Now, the e-mail attaches a draft  
02:29:14 25 message from Patty and Richard.



1 Do you see that?

2 A. Yes.

3 Q. And "Patty" is you; right?

4 A. Yes.

02:29:21 5 Q. And "Richard" is Richard Taylor; right?

6 A. Yes.

7 Q. Now, the subject of this message is "2009  
8 Focal Expectations."

9 Do you see that?

02:29:29 10 A. Yes.

11 Q. Did you generally write this type of message  
12 to HR employees to begin or kick off focal?

13 A. Sometimes we did, sometimes we didn't. This  
14 seems to be an unusual year. We're not giving raises,  
02:29:49 15 and so we're trying to set people's expectations and  
16 engage them in the process. This is, however, if you  
17 read the e-mail, a proposed message versus a final  
18 message.

19 Q. Do you know if one was actually sent by you?

02:30:02 20 A. I don't know. I suspect if we got this far we  
21 did. It says, "Do you agree with the highlighted  
22 guidance?" And I don't even know what the highlighted  
23 guidance is, so ...

24 Q. Now, on the second page of the document in the  
02:30:25 25 body of your draft e-mail there's a section entitled

1 "Meritocracy and Fairness."

2 A. Mm-hmm.

3 Q. Do you see that?

4 A. Yes, I do.

02:30:34 5 Q. Would you -- well, let me ask you. When you  
6 wrote "Meritocracy and Fairness," what did you mean?

7 A. That there's a component of meritocracy, pay  
8 for performance, and recognition for performance, and a  
9 component of treating people fairly, paying them for  
02:31:04 10 their performance and contributions.

11 Q. Would you agree both principles were important  
12 to Intel in establishing and administering its  
13 compensation system?

14 A. Yes. Sometimes they're tough to balance, but  
02:31:19 15 those are judgments that we have to make.

16 Q. But at least in terms of goal or goals, it's  
17 fair to say you strive to accomplish --

18 A. Yes.

19 Q. -- both?

02:31:30 20 A. Yes.

21 Q. Now, with respect to fairness -- well, let me  
22 just ask you this question: There's a second paragraph  
23 that begins, "We expect fairness."

24 Do you see that?

02:31:46 25 A. I do.

1 Q. And then there's a sentence that says, "HR  
2 will be at parity for ratings and stock."

3 A. Yes.

4 Q. Could you tell me what that means?

02:31:53 5 A. I'm not a hundred percent certain, and again,  
6 I'm not even certain what she was highlighting. That  
7 may have been it. What I believe she was suggesting is  
8 that our -- our distribution of ratings and stock among  
9 minorities will be the same as for the majority  
02:32:16 10 population.

11 Q. And when you say "minority," are you -- are  
12 you talking about ethnic or other demographic  
13 minorities?

14 A. Talking about underrepresented minorities at  
02:32:28 15 Intel, which is black and Hispanic, not Asian, and  
16 women. We were alerting people to the fact that we  
17 will review those factors in their final rollout.

18 Q. In that same paragraph there's a reference to  
19 something -- I think it's 25 percent O/E.

02:33:10 20 Do you see that?

21 A. Yes, uh-huh.

22 Q. What does that mean?

23 A. [REDACTED]

24 [REDACTED]

02:33:23 25 [REDACTED]

1 the low end, [REDACTED]

2 [REDACTED] Those are guidelines to consider so that  
3 there is a distribution among employees.

4 We're an engineering company. We measure  
02:33:49 5 everything.

6 Q. Well, that's why I asked about the  
7 quantification of the statistical stuff about the  
8 salary.

9 MR. PICKETT: Is there a question pending?

02:33:56 10 MR. SAVERI: There is no question pending. I  
11 think that's a fair comment.

12 BY MR. SAVERI:

13 Q. Did Intel track attrition rates?

14 A. Yes.

02:34:27 15 You mean people leaving --

16 Q. Yeah.

17 A. -- Intel? Yes, we did. Yes, we do.

18 Q. Were or are attrition rates built into the  
19 labor compensation budget?

02:34:46 20 A. I'm not sure I understand what that means. I  
21 understand your words, but I don't understand how to  
22 answer the question.

23 Q. Well, let me -- let me -- let me go at it this  
24 way: As a general matter, did Intel or does Intel  
02:35:19 25 understand that its -- that attrition is costly to

1 Intel?

2 A. Attrition is costly to any company, yes.

3 Q. In what way?

4 A. Well, in that --

02:35:35 5 Q. Let's just talk about Intel. Based on your  
6 experience at Intel, how was it costly to Intel?

7 A. One, you lose people who are valuable to you  
8 and you've invested in, who know the company and know  
9 its values. You have to spend money hiring to replace  
02:35:52 10 them and then training to replace them.

11 Q. And again, is it fair to say that from time to  
12 time people left Intel because they -- at least they  
13 believed they had a better job offer somewhere else?

14 A. I'm certain I could speculate that that's  
02:36:14 15 true. HR professional literature will tell you that  
16 people cite compensation as a reason to leave because  
17 it is an easy thing to say and it doesn't offend their  
18 manager. It isn't generally the reason they leave.

19 Q. Well, in Intel's consideration of its  
02:36:45 20 compensation system or adjustments to its compensation  
21 system, for example, through the focal process or some  
22 other process, did Intel ever raise compensation for  
23 particular job categories or job ranges to preemptively  
24 prevent attrition?

02:37:19 25 A. If attrition was high in a particular job

1 understand, based on your HR job, that having  
2 variability between employee compensation with the same  
3 job title created problems from a compensation or  
4 benefits perspective at Intel?

02:42:48 5 A. I don't think I would draw that conclusion.  
6 It's a little more complicated. There are people with  
7 the same job title who have been in that job ten years  
8 and have been outstanding performers for ten years,  
9 people who are brand-new to that job title, and there  
02:43:05 10 are people who are -- perhaps have been in the job for  
11 a long time who have been successful versus outstanding  
12 performers. They would be paid very different amounts  
13 of money.

14 And I would not consider that to be a  
02:43:21 15 problem. In fact, I would consider that to be the  
16 system working properly.

17 Q. Well, did -- I mean, were you aware whether or  
18 not variability between people who were in the same --  
19 variability with respect to compensation with respect  
02:43:47 20 to people who are in the same job title created  
21 problems with morale, for example, of -- with respect  
22 to Intel's employees?

23 A. Not at all. Intel's compensation system and  
24 structure is set up to have variability based on merit  
02:44:06 25 and performance. That is exactly the way it's supposed

1 to perform, and that is the way it performs.

2 Q. Did -- for any particular job title at Intel,  
3 did Intel establish -- did Intel establish salary  
4 ranges?

02:44:50 5 A. Salary ranges are based on grade, not job  
6 title.

7 Q. Okay. And again, for each job grade at Intel,  
8 there were salary ranges established; correct?

9 A. Yes, there's salary ranges for the grades.

02:45:20 10 Q. Were there ever any exceptions where someone's  
11 compensation was set for a particular job grade outside  
12 those established ranges?

13 A. There could be an exception where a person  
14 would be outside the range, yes.

02:45:53 15 Q. And how frequently did such exceptions  
16 happen? Can you give me any sense?

17 A. I can't give you a sense in terms of the  
18 numbers, but --

19 Q. Just something impressionistic.

02:46:08 20 A. Impressionistically the ranges are very broad.

21 Q. Okay.

22 A. So the need to go outside the range is  
23 smaller, relatively speaking. However, it did happen,  
24 but with a very broad range. That's the point of

02:46:20 25 having a very broad range, so that you're not

1 struggling with the corner cases.

2 Q. Well, there might be other purposes of having  
3 the broad range, but among the other consequences of  
4 that, one of them is if the range is broad enough, they  
02:46:32 5 don't have -- there's not very many exceptions?

6 A. There's a lot of room to move.

7 Q. But if there were an exception, what was the  
8 process for approving the exception?

9 A. Different business units had different  
02:46:46 10 processes. There are businesses who had a process for  
11 everything and businesses who had very few processes.  
12 I would contrast our manufacturing group, which is  
13 quite rigid, with our sales group, which is less so,  
14 and attracted people who felt comfortable in both of  
02:47:08 15 those scenarios.

16 So the processes were really different based  
17 opposite who manages the country, who manages the  
18 business organization, what their relationship with HR  
19 is, and the processes could be quite different.

02:47:22 20 Q. Is it fair -- is it fair to say then that the  
21 decision or the authority to approve an exception  
22 outside the range was with the managers of the  
23 particular units?

24 A. Again, people made different decisions as to  
02:47:43 25 who they wanted approval from. Some business managers



1 would say, "I only want HR to approve it. I don't want  
2 my business managers." Others would say, "I'd like it  
3 to stay in the business. HR, are you okay with that?"  
4 They would negotiate and decide.

02:47:57 5 So there are differences in practice around  
6 the company.

7 Q. So is it fair to say then, at least for some  
8 business units, you -- you made that determination?

9 A. I?

02:48:06 10 Q. Yeah.

11 A. No, I didn't make those determinations.

12 That's at a different level of the company.

13 Q. At a level lower than you?

14 A. Yes.

02:48:15 15 Q. Was it at Mr. Reid's level?

16 A. No.

17 Q. Lower than that?

18 A. Yes. Depending on how it was negotiated. I  
19 think it might come to Mr. Reid's attention if we felt

02:48:29 20 that the practices were dissimilar enough to be causing  
21 some lack of fairness. Then he'd address it.

22 (DEPOSITION EXHIBIT 785 MARKED.)

23 BY MR. SAVERI:

24 Q. Do you have -- oh, sorry.

02:49:04 25 Do you have Exhibit 785 in front of you?

1 Google and Intel, item 4. Just focusing on the -- on  
2 item 5 Google and Intuit, do you have any information  
3 regarding that agreement?

4 A. I know nothing about that.

03:46:35 5 Q. Do you have any information regarding an  
6 agreement between Lucasfilm and Pixar?

7 A. I do not.

8 Q. Okay. When was the first time you became  
9 aware of the existence of the agreements that are  
03:47:02 10 identified here?

11 MR. PICKETT: Objection. No foundation.

12 BY MR. SAVERI:

13 Q. When was the first time you learned that the  
14 Department of Justice was challenging no-solicitation  
03:47:17 15 agreements between companies other than Intel?

16 MR. PICKETT: Asked and answered.

17 THE WITNESS: Yeah, I don't remember. I have  
18 no memory of when I first learned about this.

19 MR. SAVERI: Okay. I don't have any further  
03:47:28 20 questions.

21 MR. PICKETT: Thank you.

22 THE VIDEOGRAPHER: This is the end of video 3  
23 of 3 and concludes today's proceedings. The master  
24 videos will be retained by Digital Evidence Group --  
03:47:39 25 excuse me, retained by Jordan Media.

1 We're now off the record, and the time is  
2 3:47.

3 (DEPOSITION CONCLUDED AT 3:47 P.M.)

4  
5 --- oOo ---

6 I certify under penalty of perjury that the foregoing  
7 is true and correct.

8

9 Date \_\_\_\_\_

10 PATRICIA MURRAY

11

12

13

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## REPORTER'S CERTIFICATE

I, Anne Torreano, Certified Shorthand Reporter licensed in the State of California, License No. 10520, hereby certify that the deponent was by me first duly sworn, and the foregoing testimony was reported by me and was thereafter transcribed with computer-aided transcription; that the foregoing is a full, complete, and true record of said proceedings.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named or in any way interested in the outcome of the cause in said caption.

The dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificates null and void.

In witness whereof, I have subscribed my name this 25th day of February, 2013.

☐ Reading and Signing was requested.

☐ Reading and Signing was waived.

☒ Reading and Signing was not requested.

\_\_\_\_\_  
ANNE M. TORREANO, CSR No. 10520

**EXHIBIT DD TO THE DECLARATION OF  
LISA J. CISNEROS IN SUPPORT OF  
PLAINTIFFS' NOTICE OF SUPPLEMENTAL  
MOTION AND MOTION FOR CLASS  
CERTIFICATION**

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN JOSE DIVISION  
4  
5

6 IN RE: HIGH-TECH EMPLOYEE )  
7 ANTITRUST LITIGATION )  
8 ) No. 11-CV-2509-LHK  
9 THIS DOCUMENT RELATES TO: )  
10 ALL ACTIONS. )  
11 \_\_\_\_\_ )  
12  
13

14 CONFIDENTIAL - ATTORNEYS' EYES ONLY  
15 VIDEO DEPOSITION OF PAUL OTELLINI  
16 January 29, 2013  
17  
18

19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR  
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09:29:22 1 A. I sent a table over that talked about how our  
09:29:28 2 various VPs are compensated relative -- I think it was  
09:29:32 3 equity areas -- I wanted to see the amount in dollars  
09:29:35 4 versus share units. And Google was showing them in  
09:29:37 5 share units at the time, so it was difficult to  
09:29:40 6 calculate how much Google was proposing to pay different  
09:29:44 7 levels of their vice presidents.

09:29:46 8 Q. And so where did you get the information from  
09:29:49 9 Intel?

09:29:50 10 A. From reports that I had seen at Intel.

09:29:52 11 Q. And how did you send it to the Google people?

09:29:55 12 A. I don't know if I handed it to her, to Shona,  
09:29:57 13 or mailed it to her or Laszlo. It was a long time ago.

09:30:09 14 Q. In your role, with respect to the Google board  
09:30:15 15 or the LDCC, did you ever see or receive similar  
09:30:20 16 information from other companies other than Google?

09:30:25 17 A. Oh, no. Not that I know of. I mean, they  
09:30:27 18 would have their version of market. And they would talk  
09:30:32 19 about market, but I assumed it came from third-party  
09:30:36 20 data sources.

09:30:36 21 Q. So I guess what I'm trying to figure out is, I  
09:30:39 22 understand that you sent around or -- I don't want to  
09:30:45 23 put words in your mouth. You transmitted, in some  
09:30:48 24 fashion to Shona Brown, some information about Intel's  
09:30:52 25 system?

09:30:52 1 MR. PICKETT: You mean in that one instance?

09:30:54 2 MR. SAVERI: Q. Yes.

09:30:55 3 A. Yeah, but it's not confidential information.

09:30:57 4 Q. So I guess I'm curious. Did you -- was that  
09:31:00 5 information circulated to other participants in the LDCC  
09:31:05 6 or other board members?

09:31:06 7 A. I think it was actually published in the book.  
09:31:09 8 Because they responded to -- or I can't remember if it  
09:31:11 9 was in the book or what. But they did respond to my  
09:31:14 10 request by changing their format so I could see the  
09:31:19 11 Google officers' compensation ranges in a format that I  
09:31:24 12 was comfortable with.

09:31:26 13 Q. Did Mr. Levinson who was at Genentech at the  
09:31:30 14 time, or Mr. Campbell who was at Intuit at the time,  
09:31:32 15 ever provide similar information from their companies  
09:31:35 16 that you saw?

09:31:36 17 A. Not that I'm aware of.

09:31:38 18 Q. Now, in connection with your role at Google,  
09:31:41 19 were you asked, from time to time, to approve increased  
09:31:46 20 compensation to deal with competitive threats from other  
09:31:50 21 companies that sought to hire Google employees?

09:31:53 22 A. Yes.

09:31:55 23 Q. Could you describe generally what the -- what  
09:31:59 24 the problem was or when you had to do that?

09:32:03 25 A. Well, specifically there was a threshold above



09:32:07 1 which if there was an offer to be made that would change  
09:32:12 2 typically an executive's compensation, it would have to  
09:32:15 3 come to the LDCC for approval. I forget the exact  
09:32:21 4 threshold, but if it was more than [REDACTED] it  
09:32:25 5 came to us. So something in that range.

09:32:28 6 Q. Well, did -- is it fair to say that Google  
09:32:45 7 sought to raise compensation to its employees in those  
09:32:51 8 circumstances in order to retain them?

09:32:55 9 A. Well, it was -- it was -- I mean, the ones --  
09:32:58 10 you need to ask them what their motivation was. What  
09:33:00 11 they were asking us to do was approve a specific  
09:33:03 12 counteroffer. It was -- my recollection was that it was  
09:33:07 13 almost invariably as a result of someone being sought  
09:33:12 14 after to move to a startup of one kind or another.

09:33:15 15 Q. Well, you approved these counteroffers  
09:33:16 16 yourself, didn't you?

09:33:17 17 A. Well, it took two of us, yes.

09:33:19 18 Q. But you were asked to vote, correct?

09:33:21 19 A. Yes.

09:33:22 20 Q. And you voted yourself, right?

09:33:24 21 A. Yes.

09:33:25 22 Q. And you made up your own mind with respect to  
09:33:27 23 that vote, right?

09:33:27 24 A. Yes.

09:33:28 25 Q. And when you approved it, generally, could you

09:33:30 1 describe for me why you thought it was in Google's  
09:33:33 2 interest to approve it?

09:33:34 3 A. Well, usually they were, you know, very key  
09:33:38 4 individuals. These were senior people, the amount of  
09:33:42 5 money we're talking about. Key individuals who had  
09:33:46 6 direct knowledge of how Google's business was run. They  
09:33:48 7 had a direct knowledge of the organization so that  
09:33:50 8 should they leave, they would be able to not only  
09:33:54 9 recruit people or target people -- individuals at Google  
09:33:58 10 to go with them, which was very common, and could  
09:34:01 11 conceivably take trade secrets with them, which, you  
09:34:04 12 know, the company was very worried about.

09:34:07 13 The art of how algorithms work and so forth in  
09:34:11 14 search is very arcane. And that knowledge base of how  
09:34:15 15 the company operated, you know, on a -- is a very  
09:34:19 16 competitive, I think, trade secret that they would want  
09:34:22 17 to retain. So the argument was always it's a good  
09:34:25 18 person, there is a potential for loss, we have to  
09:34:29 19 replace that person, that person could also bring other  
09:34:32 20 people with them. And there is the loss of potential IP  
09:34:36 21 and trade secrets.

09:34:37 22 Q. Fair enough. But is it fair to say that all  
09:34:40 23 the people -- well, is it fair to say that the  
09:34:47 24 counteroffers that you were asked to approve weren't  
09:34:51 25 limited to engineers or people who were working on

04:06:14 1 employees and current employees. [REDACTED]

04:06:17 2 [REDACTED]

04:06:22 3 [REDACTED]

04:06:24 4 [REDACTED]

04:06:25 5 Do you see that?

04:06:25 6 A. Yes, I do.

04:06:27 7 Q. At this time, did you believe -- were you

04:06:36 8 convinced that Facebook was increasingly winning against

04:06:38 9 Google in hiring new employees?

04:06:42 10 A. I agree with the data here.

04:06:46 11 Q. Did you agree that at this time Facebook was a

04:06:51 12 strong competitor with respect to hiring Google

04:06:59 13 employees?

04:06:59 14 A. They were certainly recruiting people from

04:07:02 15 Google along with other startups. I mean, if you go

04:07:05 16 back to the beginning of the note it talks about the

04:07:08 17 context of Facebook and other -- other startups in the

04:07:12 18 valley.

04:07:12 19 Q. Is it fair to say, though, that at this time

04:07:14 20 Facebook was a prominent startup at the time?

04:07:19 21 A. It was -- it was a prominent startup -- it was

04:07:22 22 a well-known startup at the time, but it wasn't the only

04:07:25 23 one that Google was losing employees to.

04:07:30 24 Q. But you would agree with me that Laszlo Bock's

04:07:34 25 email to you focuses on Facebook?

04:07:37 1 A. No. He's making a general argument. He starts  
04:07:41 2 out talking about the paragraph above it, people getting  
04:07:44 3 external offers of \$20-million-plus from startups. So  
04:07:47 4 he's making a general argument about the war for talent  
04:07:52 5 in the Valley.

04:07:54 6 Q. Now, did you believe it was in Google's  
04:08:33 7 interest to increase compensation to its employees and  
04:08:35 8 others in order to retain them in light of these  
04:08:40 9 circumstances, including the competitive thread of  
04:08:43 10 startups, including Facebook?

04:08:45 11 A. Yes, I did. And I ended up voting for a  
04:08:48 12 variant of this proposal.

04:08:49 13 MR. PICKETT: And just to clarify, you say to  
04:08:52 14 its employees. You mean the [REDACTED] who got the  
04:08:55 15 bonus?

04:08:56 16 MR. SAVERI: Yeah, and the general market  
04:08:57 17 conditions that Mr. Otellini alluded to that Mr. Bock  
04:09:00 18 describes.

04:09:02 19 You can -- you can put that aside.

04:09:46 20 (Whereupon, Exhibit 468 was marked for  
04:09:46 21 identification.)

04:09:47 22 MR. SAVERI: I've handed you Exhibit 468, it  
04:09:51 23 has the Bates Nos. Google 00257207 through 210.

04:10:01 24 Again, it's a -- it's quite a complicated and  
04:10:04 25 dense email. I want to ask you about the portions of

04:10:08 1 this that communicated to you -- well, unfortunately  
04:10:16 2 most of it is.

04:10:25 3 In particular, I want to ask you about the  
04:10:26 4 portion of the email -- about the portion of the  
04:10:29 5 document which is Mr. Schmidt's email to you that starts  
04:10:31 6 on the bottom of page 1 and continues over to page 2.  
04:10:36 7 And I guess your preceding response.

04:11:20 8 A. Okay.

04:11:22 9 Q. Well, let me do it this way: At the bottom of  
04:11:36 10 page 2, Mr. Bock writes to you and Mr. Levinson and Eric  
04:11:40 11 Schmidt and others a long email regarding specific grant  
04:11:44 12 proposals.

04:11:44 13 Do you see that?

04:11:45 14 A. Yes.

04:11:46 15 Q. And you write back on December 12, 2007 asking  
04:11:51 16 two questions.

04:11:51 17 Do you see that?

04:11:52 18 A. Yes.

04:11:55 19 Q. And in item two you write, "I worry that we  
04:12:06 20 will be in a situation of constant reaction."

04:12:10 21 Do you see that?

04:12:11 22 A. Yes.

04:12:12 23 Q. Can you explain to me what that -- what you  
04:12:16 24 were worried about?

04:12:19 25 A. Well, we had -- they had proposed a very large

04:12:22 1 program on grants which we had approved, the  
04:12:24 2 [REDACTED], which  
04:12:28 3 was intended to incentivize that group of individuals to  
04:12:34 4 stay with Google.

04:12:37 5 Then they come back several days later and  
04:12:39 6 they've got, whatever it was, two extra requests for  
04:12:41 7 people that were not in that program. So my question  
04:12:44 8 really to them was, what's the philosophy? What's the  
04:12:47 9 principle here? Are we going to look at countering  
04:12:51 10 every offer? Are we going to extend the grant package  
04:12:53 11 to other people proactively? What's the process? And  
04:12:58 12 Eric answers that above.

04:12:59 13 Q. And his answer, in part, let me draw your  
04:13:02 14 attention to it, is the paragraph that begins, "Our  
04:13:04 15 ongoing policy."

04:13:05 16 Do you see that?

04:13:05 17 A. I do.

04:13:06 18 Q. He says, [REDACTED]

04:13:10 19 [REDACTED]

04:13:14 20 [REDACTED]

04:13:16 21 [REDACTED]

04:13:19 22 Do you see that?

04:13:20 23 A. Yes.

04:13:25 24 Q. What did you understand him to mean by [REDACTED]

04:13:28 25 [REDACTED]

04:13:31 1 MR. RUBIN: Objection. Calls for speculation.

04:13:34 2 THE WITNESS: I interpreted this whole thing as  
04:13:38 3 being [REDACTED]

04:13:43 4 [REDACTED]  
04:13:47 5 which is the answer I was looking for here, rather than  
04:13:49 6 we're going to have an automatic response.

04:13:52 7 MR. SAVERI: Q. And at least with respect  
04:13:52 8 to this specific request, you consented, correct?

04:13:56 9 A. Yes, I did.

04:13:57 10 Q. And did you do that in order -- did you do that  
04:13:59 11 because you believed it was necessary to keep the -- the  
04:14:10 12 talent from going to Facebook?

04:14:13 13 A. I'm only -- I'm only responding to two specific  
04:14:16 14 individuals. So we looked at the -- the names have been  
04:14:20 15 redacted here, but No. 1 and No. 2. We looked at the  
04:14:23 16 people, their background, what the counteroffers were,  
04:14:26 17 and so forth. And I think it also says that our policy  
04:14:29 18 was [REDACTED]

04:14:35 19 [REDACTED]

04:14:37 20 Q. But you agree generally with Mr. Schmidt that  
04:14:40 21 in order to address the issue of Facebook recruiting  
04:14:42 22 Google employees, at least one part of the strategy  
04:14:46 23 would be to [REDACTED]

04:14:50 24 [REDACTED]

04:14:52 25 [REDACTED]

04:14:53 1 A. Well, people that had noticed that said they  
04:14:56 2 wanted to go to another company somewhere. I don't  
04:14:59 3 think these were both Facebook. That wasn't clear.  
04:15:03 4 One is, and the other was ambiguous.

04:15:28 5 Q. While you were participating in the LDCC, did  
04:15:32 6 this process or effort to match -- excuse me. Or to  
04:15:40 7 address departures from Google to other companies,  
04:15:49 8 including Facebook, continue?

04:15:53 9 A. Yes. But again, it was -- the comp committee  
04:15:58 10 was only approving levels above X dollars. And so  
04:16:01 11 that -- we saw a few of those. What the management team  
04:16:05 12 was doing below that, I'm not sure I know.

04:16:07 13 Q. Okay. So if I'm understanding it right, the  
04:16:10 14 LDCC was charged with addressing specific counteroffers  
04:16:17 15 for relatively senior executives --

04:16:23 16 A. Well, no, specifically our job was to approve  
04:16:26 17 the compensation for people above a certain level, and  
04:16:28 18 we did, or not. Sometimes we would say no.

04:16:32 19 Q. In the context of those discussions, did -- or  
04:16:35 20 I guess discussions you attended at the -- at the board  
04:16:39 21 generally, did you participate in any discussions  
04:16:44 22 regarding Google's increasing compensation to lower-paid  
04:16:50 23 employees to address competitive threats from Facebook  
04:16:54 24 and other companies in the market?

04:16:56 25 A. Well, there was a proposal that went to the



04:16:59 1 full board on changing the cash compensation composition  
04:17:07 2 to all employees. And that was meant to satisfy their  
04:17:13 3 employees' request for more money in the bank each month  
04:17:16 4 versus bonus, and to raise the overall compensation  
04:17:19 5 from, target to philosophy, of being I think it's [REDACTED]

04:17:22 6 [REDACTED]

04:17:24 7 And management made that view that when they  
04:17:27 8 have superior people, [REDACTED]  
04:17:31 9 [REDACTED] and that retaining  
04:17:34 10 them was critical.

04:17:35 11 Q. When was that?

04:17:36 12 A. Well, it was after these, but not that long  
04:17:38 13 after. I think it was probably 2009, 2008 time frame.

04:17:44 14 Q. Is that different than the -- than Google's  
04:17:48 15 effort to make a 10 percent across the board --

04:17:52 16 A. That's the process I'm talking about. It  
04:17:54 17 wasn't a 10 percent across the board comp increase.

04:17:56 18 Remember, [REDACTED]

04:18:00 19 [REDACTED]

04:18:04 20 Q. And that's also what's been referred to  
04:18:07 21 colloquially as the big bang?

04:18:12 22 A. Yes, it is.

04:18:12 23 Q. Now, going back to 469 -- excuse me. Excuse  
04:18:16 24 me.

04:18:16 25 I had it in front of me and didn't give it to

04:18:18 1 you. I'm sorry. I apologize.

04:18:20 2 (Whereupon, Exhibit 469 was marked for  
04:18:20 3 identification.)

04:18:27 4 MR. PICKETT: He needs to put a sticker on it.

04:18:31 5 MR. SAVERI: I'm sorry. I was doing things too  
04:18:33 6 quickly.

04:18:35 7 Q. So do you have 469 in front of you?

04:18:46 8 A. This is now June.

04:18:48 9 Q. At the top of the chain, just so we're clear,  
04:18:49 10 is an email from Art Levinson to Laszlo Bock dated  
04:18:54 11 June 9, 2008, and the recipients are you, Eric Schmidt,  
04:19:09 12 Bill Campbell, Shona Brown.

04:19:10 13 (Reporter clarification.)

04:20:33 14 THE WITNESS: Okay. I think I've got the gist  
04:20:36 15 of it.

04:20:37 16 MR. SAVERI: Q. Let me take you up from  
04:20:40 17 the back to the front of the document. The first  
04:20:43 18 part of the chain is an email from Laszlo Bock to  
04:20:46 19 Art Levinson, yourself, Eric Schmidt, Bill Campbell,  
04:20:52 20 Shona Brown, Frank Wagner and others.

04:20:54 21 Do you see that?

04:20:55 22 A. Yes.

04:20:56 23 Q. Now, Mr. Bock writes, "Art & Paul," that's  
04:20:59 24 Mr. Levinson and yourself, correct?

04:21:01 25 A. Yes.

04:22:31 1 Q. What was a preemptive grant?

04:22:35 2 A. I understood it to mean that he would -- he was  
04:22:38 3 asking our approval to give grants of stock to  
04:22:41 4 individuals in OSO -- individual managers in OSO who he  
04:22:46 5 felt were at high risk to be recruited and wanted to  
04:22:51 6 give them grants ahead of time so that we would minimize  
04:22:55 7 the potential to lose these people.

04:22:57 8 Q. So do you agree that that was unusual?

04:23:04 9 A. Well, it was -- it was consistent with the  
04:23:06 10 whole philosophy around the [REDACTED] grant to  
04:23:13 11 people which was do a preemptive grant to try to  
04:23:17 12 minimize the attrition. So it's not unusual from that  
04:23:20 13 perspective.

04:23:22 14 Q. Did Intel ever make preemptive grants in order  
04:23:26 15 to retain people?

04:23:27 16 A. I suspect back in the days when there were lots  
04:23:31 17 of semiconductor startups we would have done that.

04:23:33 18 Q. But by the time you took the helm of the  
04:23:35 19 company --

04:23:36 20 A. By the time Andy Grove took the helm of the  
04:23:39 21 company. Because the days of semiconductor startups  
04:23:41 22 were the '70s.

04:23:43 23 Q. So that was a thing of the past by the time you  
04:23:45 24 had come to Intel --

04:23:46 25 A. By then we were a big mature company and a big

04:23:49 1 mature industry.

04:23:50 2 Q. If you turn to page 2 of the -- of the -- of

04:23:55 3 the email, I'm just kind of skipping ahead. There is

04:23:58 4 another email from Mr. Bock to you and Mr. Levinson.

04:24:06 5 And there is a reference to an OSO director.

04:24:09 6 A. Yes.

04:24:10 7 Q. Was that [REDACTED]; do you recall?

04:24:13 8 A. I don't recall.

04:24:21 9 Q. In substance, Mr. Bock was asking you to raise

04:24:25 10 her compensation; is that a fair summary?

04:24:28 11 A. I'm sorry. Are you on the middle one here?

04:24:30 12 Q. Yes.

04:24:37 13 MR. PICKETT: Your question means approve,

04:24:38 14 not --

04:24:39 15 MR. SAVERI: Oh, excuse me.

04:24:41 16 MR. PICKETT: -- personally to raise her comp.

04:24:49 17 MR. SAVERI: I'm sorry. Let me ask the

04:24:50 18 question again.

04:24:51 19 MR. PICKETT: Sure.

04:24:51 20 MR. SAVERI: Q. Is it fair to say that the

04:24:53 21 point of Mr. Bock's message was to ask the consent

04:24:56 22 of you and Mr. Levinson to increase this person's

04:25:02 23 compensation in order to keep her from going to

04:25:05 24 Facebook?

04:25:07 25 A. It's hard -- I really have a hard time, because

04:25:09 1 of the redactions, if this whole paragraph talks about a  
04:25:14 2 single person or multiple people. The top part talks  
04:25:17 3 about the fact that we've given someone a preemptive  
04:25:21 4 grant, then it shifts to talking about another she. Or  
04:25:24 5 maybe the same she. And then it says that someone  
04:25:27 6 intends -- another she intends to resign from Facebook,  
04:25:29 7 and they're offering her. So in that case it's not  
04:25:33 8 preemptive, it's a responsive grant. So I think it's  
04:25:36 9 all the same person, but I can't -- I can't put all the  
04:25:39 10 pieces together.

04:25:40 11 Q. Fair enough. But whatever it was, you agreed  
04:25:42 12 to it?

04:25:43 13 A. Yes.

04:25:43 14 Q. Okay. And if you flip ahead in the document,  
04:25:48 15 is it also fair to say that at least in this situation,  
04:25:54 16 Google's efforts were successful because the person  
04:25:58 17 decided to stay at Google?

04:26:01 18 A. If that's the same person, yes. That's, again,  
04:26:05 19 redacted.

04:26:07 20 MR. SAVERI: You can put that aside.

04:26:29 21 I'm sorry I've blown through all the numbers.  
04:26:30 22 What's the next?

04:26:31 23 MR. PICKETT: 470.

04:26:34 24 (Whereupon, Exhibit 470 was marked for  
04:26:34 25 identification.)

04:26:36 1 MR. SAVERI: Q. I've handed you what's  
04:26:37 2 been marked as 470. It has the Bates numbers  
04:26:53 3 GOOG-HIGH-TECH-00455027 through 35.

04:27:08 4 It's rather a long document. I'm going to ask  
04:27:11 5 you about the portions of it that refer to you by name,  
04:27:15 6 and then in particular the portions that are on page 2,  
04:27:23 7 Summary of Key Guidance. And then there is a section on  
04:27:27 8 page 4 that talks about Talent Retention and Attraction.

04:27:35 9 A. Well, you want me to read all that first?

04:27:38 10 Q. I think you should read whatever you think you  
04:27:40 11 need to be comfortable with the document.

04:27:41 12 A. I don't remember the document, so it's --

04:27:44 13 Q. Okay.

04:27:44 14 A. -- it will take a while.

04:32:12 15 Okay.

04:32:12 16 Q. Have you had a chance to review the document?

04:32:14 17 A. I have.

04:32:15 18 Q. Now, at the top of the first page, the title of  
04:32:20 19 the document says Minutes of a Regular Meeting of the  
04:32:24 20 Leadership Development and Compensation Committee of the  
04:32:26 21 Board of Directors of Google Inc. October 14th, 2009.

04:32:31 22 Do you see that?

04:32:32 23 A. I do.

04:32:35 24 Q. Is this an example of minutes of an LDCC  
04:32:39 25 meeting that you attended?

05:11:08 1 3308.

05:11:23 2 And Mr. Otellini, I'll just tell you the  
05:11:25 3 question I'm going to ask. I just want to know if this  
05:11:27 4 is the revised compensation proposal that was also known  
05:11:36 5 as the big bang that was approved by the Google board?

05:12:01 6 A. I think so.

05:12:03 7 Q. Now, the top of the -- the top of the email in  
05:12:08 8 the Summary says, "On 13-October-2010, we presented a  
05:12:12 9 compensation philosophy proposal to the LDCC and full  
05:12:16 10 Board."

05:12:16 11 Do you see that?

05:12:17 12 A. Yes.

05:12:18 13 Q. Did the LDCC meet on that date?

05:12:21 14 A. Well, if that's a board meeting, there is  
05:12:24 15 typically an LDCC meeting in the morning.

05:12:26 16 Q. Okay. And just as a matter of corporate  
05:12:29 17 governance, is it your recollection that there was an  
05:12:32 18 LDCC meeting in the morning to discuss this?

05:12:35 19 A. I think I just answered that question.

05:12:38 20 Q. Was there a full board meeting in the  
05:12:40 21 afternoon?

05:12:41 22 A. I'd have to check my calendar. This appears to  
05:12:44 23 suggest that was the date.

05:12:46 24 Q. And did you vote in favor of this?

05:12:49 25 A. I don't know that there was a vote. But I was

05:12:55 1 in favor of the program.

05:12:56 2 Q. Was there anybody who participated in the LDCC  
05:12:59 3 or the full board who was not in favor of the proposal?

05:13:02 4 A. Not that I remember.

05:14:00 5 (Whereupon, Exhibit 474 was marked for  
05:14:00 6 identification.)

05:14:23 7 MR. SAVERI: Q. I've handed you what's  
05:14:24 8 been marked as Exhibit 474, Bates No. 76616DOC005972  
05:14:34 9 to 973.

05:14:36 10 Draw your attention to the top of the first  
05:14:38 11 page which is an email from Laszlo Bock to yourself with  
05:14:42 12 copies to Eric Schmidt and Shona Brown and John Doerr  
05:14:47 13 dated November 16, 2010.

05:14:48 14 Do you have that in front of you?

05:14:50 15 A. I do.

05:14:51 16 Q. Did you receive this email from Laszlo Bock on  
05:14:53 17 or about the date that's indicated?

05:14:56 18 A. Very likely.

05:14:57 19 Q. Do you have any reason to believe you did not?

05:15:01 20 A. No.

05:15:02 21 Q. You can put that aside.

05:15:20 22 Did you believe the big bang was a success?

05:15:23 23 A. I think it's still too soon to tell, but the

05:15:27 24

05:15:32 25 So as measured by that, it's



05:15:38 1 gotten better and we've retained a larger fraction of  
05:15:41 2 our workforce.

05:15:46 3 (Whereupon, Exhibit 475 was marked for  
05:15:46 4 identification.)

05:16:06 5 MR. SAVERI: Q. 475 is an email from  
05:16:10 6 Laszlo Bock to a number of individuals including  
05:16:17 7 John Doerr, yourself, John Hennessy, Shirley  
05:16:20 8 Tilghman and others.

05:16:22 9 And for purposes of the record, it's a document  
05:16:27 10 with the Bates number Google 00252681.

05:16:32 11 Do you have that in front of you?

05:16:33 12 A. Yes, I do.

05:16:35 13 Q. Did you receive this email from Mr. Bock on or  
05:16:38 14 about this date?

05:16:39 15 A. Probably.

05:16:40 16 Q. Now, were the individuals who were identified  
05:16:48 17 here members of the Google board of directors?

05:16:52 18 A. On the -- the "To" line, they are.

05:16:59 19 Q. So in January of 2011, John Hennessy was a  
05:17:02 20 member of the Google board, correct?

05:17:04 21 A. Yes.

05:17:05 22 Q. At the time, was he -- that's the John Hennessy  
05:17:07 23 who is the president of Stanford?

05:17:09 24 A. Yes.

05:17:10 25 Q. And at this time, Shirley -- is it Tilghman?

05:17:16 1 A. Tilghman.

05:17:18 2 Q. Was she the head of Princeton at the time?

05:17:20 3 A. Yes.

05:17:21 4 Q. And Ram Shriram -- okay. And both Mr. Shriram

05:17:29 5 and Ann Mather were also members of the board?

05:17:32 6 A. Yes.

05:17:32 7 Q. And are the persons -- well, was Mr. Campbell a

05:17:36 8 member of the board at this time?

05:17:37 9 A. No. Nor has he ever been.

05:17:42 10 Q. I understand that. Mr. Schmidt, Larry Page,

05:17:45 11 Sergey Brin, Shona Brown, Kent Walker, at the time they

05:17:49 12 were all employees of Google, correct?

05:17:51 13 A. Yes, they were.

05:17:53 14 Q. Now, Mr. Bock writes, "At the January 12 Board

05:17:56 15 meeting, Sergey," that's Sergey Brin, "asked that we

05:17:59 16 provide the Board the number of hires we have made from

05:18:01 17 [REDACTED], and that we include those data in

05:18:04 18 the Board materials going forward."

05:18:06 19 Do you see that?

05:18:07 20 A. Yes.

05:18:07 21 Q. And then there are some statistics set forth

05:18:09 22 regarding that subject.

05:18:10 23 Do you see that?

05:18:11 24 A. I do.

05:18:12 25 Q. Was it your understanding that this represented

05:18:15 1 an improvement at Google in its efforts to retain or  
05:18:22 2 hire employees?

05:18:25 3 A. I don't think this speaks to that. This speaks  
05:18:28 4 specifically to employees that came into Google from  
05:18:32 5 these firms.

05:18:34 6 Q. Well, prior to this time, had Google been able  
05:18:39 7 to recruit employees from these firms at similar levels?  
05:18:46 8 Do you recall?

05:18:47 9 A. I don't know. I don't have the data.

05:18:49 10 Q. Was that data that was provided to the Google  
05:18:52 11 board? That sort of data?

05:18:56 12 MR. RUBIN: Objection. Vague.

05:18:59 13 THE WITNESS: I don't believe that we'd ever  
05:19:01 14 asked for data in terms of hiring into Google from those  
05:19:05 15 firms before this January 12th request where Sergey  
05:19:10 16 requested it.

05:19:30 17 MR. SAVERI: Q. I'm going to switch  
05:19:32 18 subjects for a second. We've talked a couple times,  
05:19:43 19 and perhaps more than a couple times today, about  
05:19:45 20 something called focal; do you recall that?

05:19:48 21 A. I mentioned the word.

05:19:54 22 Q. What -- can you describe for me generally what  
05:19:57 23 focal was with respect to the setting of compensation as  
05:20:02 24 a general matter at Intel?

05:20:04 25 A. Focal was the annual review process -- is the

05:20:09 1 annual review process. [REDACTED]

05:20:12 2 [REDACTED]

05:20:17 3 [REDACTED] A performance assessment evaluation  
05:20:21 4 is written and delivered to the employee.

05:20:25 5 As part of that process, people's compensation  
05:20:27 6 is reviewed and adjustments are made, promotions are  
05:20:33 7 made, performance warnings may be given. A number of  
05:20:38 8 things.

05:20:39 9 Q. Was there anyone who worked for Intel whose  
05:20:42 10 compensation wasn't part of the focal process?

05:20:47 11 A. Yes. The 16(b) officers.

05:20:50 12 Q. Other than the 16(b) officers, was there  
05:20:53 13 anybody whose compensation was not set --

05:21:00 14 A. Through that process? No.

05:21:02 15 Q. And that included you?

05:21:04 16 A. I'm a 16(b) officer.

05:21:05 17 Q. I'm sorry. Fair enough.

05:21:07 18 Now, as the CEO of the company, what was your  
05:21:18 19 role in the focal process?

05:21:21 20 A. I would approve the annual budget for the merit  
05:21:28 21 increases, approve the annual budget for promotions in  
05:21:33 22 terms of cost. We would look at that by major  
05:21:39 23 geography, major country, essentially. Look at the  
05:21:43 24 number of employees, the data behind that in terms of  
05:21:47 25 market movements, attrition, those kinds of things.

05:21:49 1 We'd also look at the overall budget for stock,  
05:21:54 2 both options and restricted shares and approve that.  
05:22:00 3 That approval I would make, and then it would go -- on  
05:22:02 4 the stock would go to the board for final approval. And  
05:22:10 5 I would do the direct evaluation and promotion  
05:22:16 6 recommendations for my direct staff and for corporate  
05:22:19 7 officers.

05:22:28 8 Q. And on an employee-by-employee basis, what were  
05:22:31 9 the basic elements of compensation that were set by the  
05:22:34 10 focal process?

05:22:35 11 A. Well, nothing on an employee-by-employee  
05:22:38 12 basis --

05:22:38 13 Q. That was --

05:22:39 14 A. -- my level. Right?

05:22:40 15 Q. That was a poor question. As part of the focal  
05:22:43 16 process, was base compensation set?

05:22:45 17 A. For whom?

05:22:47 18 Q. For --

05:22:49 19 A. For any given employee? By his or her manager,  
05:22:53 20 yes.

05:22:55 21 Q. Were salary ranges established for particular  
05:23:02 22 employee grades as part of the focal process?

05:23:06 23 A. By job class and grade, yes, the human  
05:23:09 24 resources department would have these large ranges of  
05:23:12 25 compensation that would vary by country, by degree, by

05:23:18 1 were people working in engineering and nonengineering  
05:23:20 2 and so forth. And they would update those -- at least  
05:23:25 3 review those and update them as needed.

05:23:28 4 Q. As the CEO, did you have -- was it part of your  
05:23:33 5 responsibility to set ranges for particular job  
05:23:36 6 categories or job grades as part of the focal process?

05:23:39 7 A. Not -- not -- not for the rank and file. I  
05:23:42 8 certainly would be involved in discussing any changes at  
05:23:45 9 the executive ranks.

05:23:47 10 Q. So organizationally, who was responsible for  
05:23:50 11 setting salary ranges for particular employee grades  
05:23:55 12 or --

05:23:57 13 A. You used the word setting. There's an entire  
05:24:01 14 compensation department that's looking at, you know, the  
05:24:04 15 120 countries in which we operate, what the markets are,  
05:24:08 16 gathering data. And that rolls up and is approved by --  
05:24:12 17 at various levels in the organization by the various  
05:24:15 18 managers who have oversee, whether it's at a certain  
05:24:18 19 geography or at a corporate level. Oversight.

05:24:28 20 Q. Was there a particular person or department  
05:24:33 21 that was responsible for the focal process? Was it HR?

05:24:38 22 A. HR -- well, HR would manage the process. At  
05:24:41 23 the end of the day, the employee's direct manager is the  
05:24:45 24 one responsible.

05:24:47 25 Q. Well, in terms of the -- well, would -- as a

05:24:50 1 matter of practice, did the HR department make a  
05:24:52 2 recommendation to you as the CEO about -- well, what  
05:24:57 3 kind of recommendations would they make to you as part  
05:24:59 4 of the focal process?

05:25:01 5 A. Well, I mentioned that already. That was all  
05:25:03 6 of -- the overall by country increases in merit and  
05:25:08 7 promotion. Budgets. And I talked about the executive  
05:25:12 8 ranks and the stock ranks.

05:25:14 9 Q. Was there a particular time of year that the  
05:25:15 10 focal process was started in?

05:25:18 11 A. Yes. Two different times of the year. It  
05:25:21 12 is -- the focal was delivered in April for all but the  
05:25:25 13 officer ranks at the company, and is delivered in  
05:25:29 14 January/February for the officer ranks.

05:25:32 15 Q. What is T comp?

05:25:34 16 A. That's a shorthand phrase for total  
05:25:36 17 compensation.

05:25:40 18 Q. And was T comp set as part of the focal process  
05:25:45 19 too?

05:25:46 20 A. T comp is an individual level number. It  
05:25:52 21 includes the individual's base salary, his or her bonus,  
05:25:56 22 any of the variable pay packages and the equity grants.  
05:26:00 23 So there is no T comp aggregate, except the large number  
05:26:04 24 which is our total compensation cost.

05:26:14 25 Q. Now, as a general matter, did you believe that

05:26:24 1 Intel established compensation based upon the market?

05:26:28 2 A. That's been our principle and -- I'm sorry. We  
05:26:32 3 established -- we establish the ranges based upon our  
05:26:35 4 view of the market, and then we target individuals  
05:26:39 5 inside those based upon their experience, performance,  
05:26:44 6 time in grade, those kinds of things.

05:27:40 7 (Whereupon, Exhibit 476 was marked for  
05:27:40 8 identification.)

05:28:04 9 (Discussion off the record.)

05:28:12 10 MR. SAVERI: Q. Mr. Otellini, I've handed  
05:28:22 11 you what's been marked as Exhibit 476. It has the  
05:28:23 12 Bates No. 76616DOC000763.

05:28:35 13 The top of the document is an email from you to  
05:28:39 14 someone named Mark Fichtner. Do you see that?

05:28:44 15 A. Yes.

05:28:45 16 Q. Did you write this email to Mr. Fichtner?

05:28:48 17 A. Yes, I did.

05:28:49 18 Q. And you say, "Our pay philosophy is  
05:28:51 19 straightforward. We pay salary and bonus based upon  
05:28:54 20 market. We remain very competitive there."

05:28:57 21 Do you see that?

05:28:58 22 A. Yes.

05:28:58 23 Q. Is that a -- an accurate statement?

05:29:00 24 A. Yes.

05:29:08 25 Q. Now, from time to time, did -- were you



05:52:12 1 Q. But my question, sir, was after you wrote this  
05:52:14 2 email, did you ever make any subsequent communication  
05:52:18 3 to -- with respect to the subject further clarifying any  
05:52:25 4 ambiguity in your response?

05:52:27 5 A. You asked that question, I said no, and then I  
05:52:29 6 went on and explained.

05:52:30 7 Q. Now, when did you first -- subsequent to  
05:52:46 8 writing your email, did you have any conversation with  
05:52:52 9 Ms. Thompson or anybody else about this subject where  
05:52:54 10 they raised any questions about what you meant in this  
05:52:58 11 email?

05:52:59 12 A. Not that I recall.

05:53:02 13 MR. SAVERI: I think I'm done. I'm certain I'm  
05:53:04 14 done.

05:53:05 15 Thank you for your time, sir.

05:53:06 16 THE WITNESS: Good. I think I'm done.

05:53:08 17 MR. PICKETT: Thank you.

05:53:08 18 THE VIDEOGRAPHER: This is the end of video 4  
05:53:09 19 of 4 and concludes today's proceedings.

05:53:12 20 The master videos will be retained by Jordan  
05:53:13 21 Media.

05:53:15 22 We are now off the record and the time is 5:53.

06:47:44 23 (The deposition concluded at 5:53 PM)

06:47:44 24

25

1 I, Gina V. Carbone, Certified Shorthand  
2 Reporter licensed in the State of California, License  
3 No. 8249, hereby certify that the deponent was by me  
4 first duly sworn and the foregoing testimony was  
5 reported by me and was thereafter transcribed with  
6 computer-aided transcription; that the foregoing is a  
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or  
9 attorney for either of any of the parties in the  
10 foregoing proceeding and caption named or in any way  
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of  
13 the original transcript will render the reporter's  
14 certificates null and void.

15 In witness whereof, I have hereunto set my  
16 hand this day: February 1, 2013.

17 \_\_\_\_\_ Reading and Signing was requested.

18 \_\_\_\_\_ Reading and Signing was waived.

19 \_\_\_X\_\_\_ Reading and signing was not requested.

20

21

22

23

\_\_\_\_\_  
GINA V. CARBONE

24

CSR 8249, RPR, CCRR

25

**EXHIBIT Y TO THE DECLARATION OF LISA  
J. CISNEROS IN SUPPORT OF PLAINTIFFS'  
NOTICE OF SUPPLEMENTAL MOTION AND  
MOTION FOR CLASS CERTIFICATION**

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN JOSE DIVISION  
4

5 IN RE: HIGH-TECH EMPLOYEE )  
6 ANTITRUST LITIGATION )  
7 ) No. 11-CV-2509-LHK  
8 THIS DOCUMENT RELATES TO: )  
9 ALL ACTIONS. )

10 \_\_\_\_\_

11

12

13

VIDEOTAPED DEPOSITION OF DEBORAH CONRAD

14

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

15

November 21, 2012

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Reported by: Anne Torreano, CSR No. 10520

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1 A. Yes.

2 Q. And can you describe for me generally what  
3 your role was with respect to that?

4 A. Same as I just described. We have a standard  
09:28:20 5 set of policies and procedures regarding compensation.  
6 It's based on grade level and skill set and experience,  
7 and our benefit package accumulates -- or is -- works  
8 in concert with the different grade levels.

9 Q. So is it fair to say that in terms of the --  
09:28:39 10 your role with respect to compensation, in terms of the  
11 policies or procedures that you apply, you followed the  
12 same policies and procedures both during the time you  
13 were in charge of Team Apple as well as the time you  
14 were head of marketing?

09:28:54 15 A. Yes.

16 Q. Well, let me ask you generally. Have you  
17 ever -- do you continue today to make decisions  
18 regarding compensation for the people that you  
19 supervise?

09:29:07 20 A. Yes.

21 Q. And has your -- have the policies or  
22 procedures changed at all generally --

23 A. Not --

24 Q. -- during that time?

09:29:16 25 A. -- substantially, no.

1 Q. Let me ask you a couple questions about kind  
2 of where you fit into that -- into the Intel  
3 compensation structure.

4 A. Okay.

09:29:39 5 Q. Well, first let me ask you, does Intel have a  
6 compensation structure?

7 MR. HINMAN: Objection. Vague.

8 THE WITNESS: Yes, we have a compensation  
9 structure.

09:29:48 10 BY MR. SAVERI:

11 Q. And do you yourself -- you have a job title?

12 A. Yes.

13 Q. And do you have a job grade or a job  
14 classification?

09:30:03 15 A. Yes.

16 Q. Are those two different things in the Intel  
17 compensation structure?

18 A. Yes.

19 Q. So first could you tell me what a job grade is  
09:30:15 20 as it's used at the Intel -- as it's used in the Intel  
21 compensation structure?

22 A. So there are grade levels starting -- [REDACTED]  
23 [REDACTED] for example. Goes all the way up to, I think,  
24 [REDACTED] And depending on various skills and experience,  
09:30:40 25 you're assigned a grade level. And as you acquire more

1 skills and take advantage of opportunities and prove  
2 yourself, you are moved up into the organization  
3 through grade-level promotions.

4 Q. So is ■ low and ■ high?

09:30:52 5 A. Yes.

6 Q. And -- I'm sorry. I probably should -- I want  
7 to make sure that the technology is right.

8 So let me ask you about job classifications.

9 A. Okay.

09:31:27 10 Q. What are job classifications as they're used  
11 in the Intel compensation structure?

12 A. Can you clarify what you mean by  
13 "classifications"?

14 Q. Well, you told me that there are grade levels  
09:31:41 15 for Intel employees; correct?

16 A. Yes.

17 Q. And is it fair to say everyone has a grade  
18 level?

19 A. Yes.

09:31:46 20 Q. Now, are there other ways or other groups that  
21 Intel assigns people to in the -- in its compensation  
22 structure?

23 MR. HINMAN: Objection. Vague.

24 THE WITNESS: I don't understand the question.

09:32:02 25 BY MR. SAVERI:

1 Did you make that determination in  
2 consultation with other people at Intel?

3 A. Yes, I made that decision with other people in  
4 consultation.

09:42:54 5 Q. Did you have -- but did you have ultimate  
6 decision-making authority with respect to the amount of  
7 particular stock option grants with respect to people  
8 you supervised in the Apple team?

9 A. Yes.

09:43:04 10 Q. Did the company give you guidelines or  
11 parameters --

12 A. Yes.

13 Q. -- to do that?

14 A. Yes.

09:43:11 15 Q. Now, I think you said you thought you were at  
16 grade level [REDACTED] when you were in the Apple team?

17 A. Yes.

18 Q. Now, at that time, were there other grade [REDACTED]  
19 employees at Intel?

09:43:43 20 A. Yes.

21 Q. And how were the different types of grade [REDACTED]  
22 employees distinguished?

23 MR. HINMAN: Objection. Vague.

24 THE WITNESS: I don't understand the question.

09:43:55 25 BY MR. SAVERI:



1 Q. Well, approximately how many -- just if you  
2 can give me a sense of this, about how -- when you were  
3 a grade [REDACTED] employee at Intel, about -- can you give me  
4 a sense of how many grade [REDACTED] employees there were in  
09:44:26 5 the corporate organization?

6 A. No.

7 Q. Was it fair to say there were very many?

8 A. Yes.

9 Q. And did there -- were there grade [REDACTED] employees  
09:44:38 10 in various parts of the Intel structure?

11 A. Yes.

12 Q. And including people who did different jobs  
13 than you did?

14 A. Different jobs in terms of different types of  
09:44:54 15 jobs. I was in sales and marketing. There were grade  
16 [REDACTED] engineers, there are grade [REDACTED] factory managers.  
17 There are grade 12 accountants, grade [REDACTED] lawyers. So,  
18 yes.

19 Q. Well, how -- how were the grade [REDACTED]  
09:45:10 20 employees -- well, in what way were the -- those grade  
21 [REDACTED] employees distinguished?

22 A. I don't understand what your question is.

23 Q. Well, were the grade [REDACTED] -- so if I'm  
24 understanding the way it works, all the grade [REDACTED]  
09:45:45 25 employees were compensated at a base compensation

1 within a grade [REDACTED] salary range --

2 A. Yes.

3 Q. -- is that correct?

4 And so was, for example, a grade [REDACTED] lawyer

09:47:00 5 compensated within the same, I guess, salary band as

6 someone who was a grade [REDACTED] employee in the sales and

7 marketing department?

8 A. I believe so, yes.

9 Q. Okay. Now, were the -- how frequently at

09:47:36 10 Intel were employees reclassified with respect to their

11 employee grades?

12 MR. HINMAN: Objection. Overbroad.

13 THE WITNESS: I don't -- I don't know what you

14 mean.

09:47:45 15 BY MR. SAVERI:

16 Q. Well, were the -- at Intel, was -- or were --

17 was the compensation of employees reviewed on a

18 periodic basis?

19 A. Yes.

09:47:59 20 Q. And was one of the things that was considered

21 as part of that annual review whether particular

22 persons should be reclassified in terms of their salary

23 grade?

24 A. Yes.

09:48:11 25 Q. So again, people could move up or down or stay

1 Q. Okay. Just so I understand it, when you say  
2 "out of cycle," you mean that it was a change in  
3 compensation that was decided outside of the kind of, I  
4 think you said, January-to-April process that you  
10:06:09 5 ordinarily follow.

6 Is that fair?

7 A. Yes.

8 Q. Did you from time to time, as part of the kind  
9 of January-to-April process, raise compensation for  
10:06:26 10 particular employees or particular job titles because  
11 you thought it was important to retain them and keep  
12 them from moving to another company?

13 MR. HINMAN: Objection. Compound.

14 THE WITNESS: It's a confusing question.

10:06:41 15 BY MR. SAVERI:

16 Q. Okay. Now, in your ordinary review of  
17 compensation for the people you supervised, did you  
18 raise compensation from time to time because you  
19 believed it was important to raise that compensation to  
10:07:06 20 retain the people you supervised?

21 MR. HINMAN: Objection. Vague.

22 THE WITNESS: The compensation reviews and the  
23 raises that would come from that had to do with were  
24 they meeting their job expectations, were they  
10:07:25 25 performing and doing a great job.

1 MR. SAVERI: Right.

2 THE WITNESS: It was not in order to retain  
3 them.

4 BY MR. SAVERI:

10:07:32 5 Q. But as part of your --

6 A. Or prevent them from going to another company.

7 Q. But as part of the material that you received  
8 from Lisa Richardson, you would receive information  
9 regarding the marketplace; correct?

10:07:49 10 A. Yes.

11 Q. And that -- and that included what other  
12 companies were paying their employees?

13 A. The data that I received didn't outline it by  
14 company.

10:08:02 15 Q. But -- fair enough. But it did -- is it fair  
16 to say it gave you general trends in the marketplace?

17 A. Yes.

18 Q. And did it give you general marketwide  
19 information for particular types of employees?

10:08:13 20 A. Occasionally, yes.

21 Q. Have you ever heard the term "internal  
22 equity"?

23 A. Yes.

24 Q. And with respect to compensation or human  
10:08:34 25 resources, what do you understand the term to mean?

1 A. I understand the term to mean people doing a  
2 relatively similar -- complexity similar of their jobs  
3 are being compensated in a similar way.

4 So we talked about grade levels, for example.

10:08:53 5 Q. Right.

6 A. A grade-level engineer and -- a grade level 12  
7 engineer, a grade level 12 project manager, a grade  
8 level 12 software person are being compensated based on  
9 the complexity of that role, and there's a range  
10:09:07 10 that -- of the compensation that is allocated to that  
11 grade, and that gives us equity across -- internally  
12 across job function.

13 Q. Was that a criteria that was used as part of  
14 determination at Intel of compensation?

10:09:25 15 MR. HINMAN: Objection. Lacks foundation.

16 THE WITNESS: I don't understand the question.

17 BY MR. SAVERI:

18 Q. Well, did -- did Intel, when setting  
19 compensation, setting base compensation, either in  
10:09:43 20 terms of placing a particular person in a job grade or  
21 title or moving one person from one title or grade to  
22 another, did Intel consider internal equity, as you've  
23 described it, in making that determination?

24 MR. HINMAN: Objection. Vague, overbroad and  
10:10:06 25 lacks foundation.

1 THE WITNESS: Yeah, sorry. I don't  
2 understand. Can you explain?

3 BY MR. SAVERI:

4 Q. Yeah, let me try to break it up into pieces.

10:10:12 5 Well, in Intel's compensation structure, did  
6 Intel try to treat like people alike?

7 MR. HINMAN: Objection.

8 THE WITNESS: I don't -- I don't know.

9 BY MR. SAVERI:

10:10:34 10 Q. Okay. Well, from time to time Intel hired  
11 engineers; correct?

12 A. Yes.

13 Q. And Intel -- well, it sounds like Intel hired  
14 lots of engineers --

10:11:06 15 A. Yes.

16 Q. -- is that fair?

17 Now, when someone was hired as an engineer --  
18 just let me back up.

19 There was an engineer job title at Intel;  
10:11:17 20 correct?

21 A. I believe so.

22 Q. Okay.

23 A. I don't hire engineers.

24 Q. Okay. Well, from your understanding of the  
10:11:27 25 way the compensation structure worked at Intel, when

1 Are we on the same page?

2 A. Oh, yes, yes. I'm reading it.

3 Q. Yeah, so I just have a couple questions about  
4 question and answer 21.

03:04:34 5 A. Okay.

6 Okay.

7 Q. Now, question 21 reads, or the second sentence  
8 reads, "We were told this focal budget would allow  
9 managers to address the equity issues caused by this  
03:04:55 10 pay compression."

11 Do you see that?

12 A. Yes.

13 Q. Can you explain to me what that refers to?

14 MR. HINMAN: I'll just object that it lacks  
03:05:09 15 foundation.

16 THE WITNESS: So my interpretation of this  
17 question is that this is a potential question about  
18 someone who had brought in some external people and  
19 that they paid them more than people doing existing --  
03:05:34 20 paid them -- they brought them in at a higher pay level  
21 than what people who were in the existing grade level  
22 were doing, and that they were told that at the focal  
23 time frame they could make adjustments, but now they  
24 can't do that because the focal period had been cut in  
03:05:49 25 half.

1 BY MR. SAVERI:

2 Q. So what was the equity issue that's referred  
3 to here?

4 MR. HINMAN: Objection. Lacks foundation.

03:05:59 5 BY MR. SAVERI:

6 Q. Let me ask a better question.

7 How did the hiring of outside people implicate  
8 equity issues?

9 MR. HINMAN: Objection. Lacks foundation.

03:06:08 10 THE WITNESS: The only way I interpret this is  
11 that they brought in people at a higher pay -- you  
12 know, at a higher compensation rate than people in the  
13 existing organization, and they were going to try and  
14 make adjustments at focal. I don't -- that's how I  
03:06:27 15 read this.

16 BY MR. SAVERI:

17 Q. And when you say they make adjustments, was --  
18 do you mean that they were going to try to make  
19 adjustments to treat the new hires from outside the  
03:06:42 20 company similarly to the people who had been employed  
21 by Intel at the time?

22 MR. HINMAN: Same objection.

23 THE WITNESS: That's how I interpret this, but  
24 there's a clarification on this.

03:07:01 25 MR. SAVERI: Yeah.



1 THE WITNESS: There's two clarifications.

2 Focal happens once a year, and as managers

3 we're encouraged to just address performance and

4 compensation once a year. There's times that you do

03:07:16 5 it -- you know, it's not set in stone, but it gives us

6 a guideline of a time frame that we're going to do it.

7 The second clarification is that compensation

8 is performance based. There was no set rule that said

9 everybody's going to get a raise or everybody's not

03:07:31 10 going to get a raise.

11 What this was giving us guidelines for, if I

12 remember it correctly, is that they were taking what

13 they would have normally given to the managers to

14 allocate raises or compensation adjustments and they

03:07:44 15 were cutting that amount in half, to spread it over the

16 course of two cycles rather than one.

17 And that gave us the ability as managers to do

18 any adjustments based on performance of our employees.

19 BY MR. SAVERI:

03:08:01 20 Q. Okay. So as a general matter, this kind of

21 focal process organizationally occurred once a year?

22 A. Once a year.

23 This was an odd situation that was happening.

24 That's why we were getting this document.

03:08:14 25 Q. Okay. And as a general matter, you understood

1 that as an organization it made sense, just for  
2 efficiency purposes, to conduct this focal process once  
3 a year?

4 A. That's correct. And oftentimes there are --  
03:08:26 5 or occasionally there might be times that you do it out  
6 of cycle, but it was generally known that it was a  
7 once-a-year exercise.

8 Q. And did -- generally, the focal process would  
9 allow -- was the time in which Intel made adjustments  
03:08:41 10 or determinations regarding compensation; right?

11 A. That's correct.

12 Q. And that included changes in grade?

13 A. Yes.

14 Q. And included changes in job title?

03:08:56 15 A. Yes.

16 Q. And it included changes in base compensation?

17 A. Yes.

18 Q. And did it also -- among the things that could  
19 be addressed during this process, as you said, there  
03:09:10 20 were performance issues --

21 A. Yes.

22 Q. -- correct?

23 But isn't it also fair to say that equity  
24 issues were also addressed during the focal process?

03:09:22 25 A. Yes, that could be -- that could be one of the

1 things that you would look at.

2 I have another comment about this particular  
3 question.

4 Especially at this time frame, in the 2001  
03:09:36 5 time frame, there was a lot of external hiring going  
6 on, and the external market was actually quite  
7 competitive, and then there was the economic downturn.  
8 So that was kind of the moment in time where we had an  
9 influx of employees, and then we were turning off the  
03:09:57 10 compensation engine for a little while or slowing it  
11 down.

12 That's how I interpret that question.

13 Q. I mean, based on your experience, is it fair  
14 to say that the -- that the hiring of external  
03:10:19 15 employees created challenges with respect to setting  
16 appropriate compensation?

17 A. It could be challenging at times. Absolutely.

18 Q. And among other things, people who came from  
19 the outside sometimes had to be reclassified to fit  
03:10:43 20 into the Intel compensation structure; is that --

21 MR. HINMAN: Objection. Overbroad, lacks  
22 foundation.

23 THE WITNESS: I don't -- yeah, I don't  
24 understand what you mean by --

03:10:52 25 MR. SAVERI: Well, here. Let me -- let me

1 approach it this way.

2 (DEPOSITION EXHIBIT 392 MARKED.)

3 BY MR. SAVERI:

03:11:07 4 Q. So I think I've handed you what's been marked  
5 as 392.

6 A. Yes.

7 Q. And I don't think this has any Bates numbers  
8 because it was produced to us in native form, or maybe  
9 you have a copy that does have the numbers on it. Mine  
03:11:22 10 does not.

11 A. On the lower left?

12 Q. 76583 to 3888.

13 A. Okay.

14 Okay.

03:12:24 15 Q. Have you had a chance to look at this  
16 document?

17 A. Yes.

18 Q. Do you recognize this document?

19 A. No.

03:12:29 20 Q. It refers on the first page to something  
21 called "NPG human resources."

22 Do you see that?

23 A. Yes.

24 Q. Do you know what that's a reference to?

03:12:37 25 A. I believe it was a group called "network

1 Do you see that?

2 A. Yes.

3 Q. Do you know what this -- well, strike that.

4 Have you ever seen this document before?

03:51:33 5 A. No.

6 Q. Do you know what -- what this document was  
7 used for at Intel?

8 A. I don't.

9 Q. Do you know whether the HR department  
03:51:40 10 developed this document?

11 A. It appears, because it says "HR global  
12 staffing," that that's where it came from, and it  
13 appears to be a training document.

14 Q. Now, do you know --

03:51:52 15 A. But I don't know that for a fact.

16 Q. Okay. Do you know whether Intel's human  
17 resources department used this document for training  
18 purposes with respect to hiring or recruiting?

19 A. I don't know.

03:52:02 20 Q. Do you know if Intel's HR department used this  
21 document for hiring or recruiting for any positions in  
22 the organizations that you supervised?

23 A. I don't know.

24 Q. Okay. Now, if you look at page 8 of 13, it  
03:52:20 25 has the Bates number that ends 5963?

1 A. Yes.

2 Q. Do you see that?

3 A. Yes.

4 Q. There's a step 14 it says "Internal equity."

03:52:29 5 Do you see that?

6 A. Yes.

7 Q. Did you ever discuss this subject or this --  
8 this issue with anybody in Intel's human resource  
9 department?

03:52:49 10 A. Can you be -- can you clarify your question?

11 Q. Yeah, let me -- let me try.

12 Did you ever discuss with anybody in the Intel  
13 HR department whether the considerations of internal  
14 equity that are annunciated here were appropriate in  
03:53:16 15 the context of recruiting or hiring at Intel?

16 A. Yes.

17 Q. And what did you discuss with respect to that?

18 A. Generally it was discussion around making sure  
19 that we weren't overpaying or creating an inflation  
03:53:44 20 situation by bringing someone into the company that was  
21 being paid significantly more than what somebody was  
22 doing in a comparable job.

23 Q. Now, in this document it says, in the second  
24 sentence of this section, [REDACTED]

03:54:01 25 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 A. Yes.

4 Q. Do you see that?

03:54:12 5 A. Yes.

6 Q. Do you agree with that definition?

7 A. I do.

8 Q. And then it says, [REDACTED]

9 [REDACTED]

03:54:19 10 [REDACTED]

11 [REDACTED]

12 Do you see that?

13 A. Yes.

14 Q. Do you agree with that statement?

03:54:25 15 A. Yes.

16 Q. And then the section goes on to say, [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

03:54:39 20 Do you see that?

21 A. Yes.

22 Q. Do you agree with that?

23 A. I do.

24 Q. And then the next section refers to

03:54:55 25 comparables.

1 Do you see that?

2 A. Yes.

3 Q. And was it your experience that these sorts of  
4 comparables were considered in determining whether  
03:55:18 5 compensation at Intel was being set consistent with  
6 principles of internal equity?

7 MR. HINMAN: Objection. Vague and lacks  
8 foundation.

9 THE WITNESS: I don't understand your  
03:55:42 10 question. Would you repeat it?

11 BY MR. SAVERI:

12 Q. Yeah, let me try to break it into pieces.

13 This section refers to internal equity.

14 Do you see that?

03:55:50 15 A. Yes.

16 Q. And in that first bullet point it discusses  
17 comparables.

18 Do you see that?

19 A. Yes.

03:55:55 20 Q. And it says, [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 A. Yes.

24 Q. [REDACTED]

03:56:10 25 [REDACTED] and then there are a series of questions.



1 Q. Oh, your --

2 A. Mine looks better than yours.

3 Q. Okay.

4 A. It's Brian Richey.

04:00:06 5 Q. All right. Do you recognize this document?

6 A. I do not.

7 Q. Okay. Do you know what Mr. Richey's job

8 was --

9 A. I don't.

04:00:18 10 Q. -- or is?

11 Do you know who he is?

12 A. No.

13 Q. Do you know if he works for Intel or not?

14 A. I assume he works for Intel --

04:00:24 15 Q. Okay.

16 A. -- given the labeling of the document.

17 Q. Okay. I take it from that that you -- you

18 never attended any meeting where this -- where these

19 slides or some version of these slides --

04:00:37 20 A. No.

21 Q. -- were presented to you?

22 A. No.

23 Q. Can you turn to page 17 of the slide deck, and

24 that slide is entitled "Applying Pay Report to Focal

04:01:04 25 Decisions."

1 A. Right.

2 Q. Now, down at the bottom there's a situation  
3 that says, "The Intel peer data and external market  
4 data aren't aligned or no data is displayed."

04:01:16 5 Do you see that?

6 A. Yes.

7 Q. Just focusing on the first of those, the Intel  
8 peer data, do you see that?

9 A. Yes.

04:01:21 10 Q. Do you know what that is?

11 A. I don't. I don't know that term. I think  
12 it's probably what it sounds like, which is the  
13 Intel -- the -- sorry, the equity, being able to look  
14 at peers and look at their -- their relative  
04:01:38 15 compensation.

16 Q. Now, as part of your participation in the  
17 focal process, did you receive studies of -- peer  
18 studies of compensation?

19 A. Yes, and I'd like to clarify.

04:02:00 20 Q. Sure.

21 A. The peer studies that I would see are within  
22 my own organization.

23 Q. And fair enough. I'm not asking whether you  
24 saw those, but just as a general matter --

04:02:10 25 A. I would be able to see my own organization's

1 compensation, and if I had reason to want to see how we  
2 compared to other groups, I could do that if I needed  
3 to.

4 Q. And when you say "other groups," do you mean  
04:02:22 5 other groups within the Intel organization other than  
6 the ones you supervised?

7 A. That's correct.

8 Q. And there's also a reference here to external  
9 market data --

04:02:31 10 A. Yes.

11 Q. -- do you see that?

12 And when you participated in the focal  
13 process, as part of the package that you received, did  
14 it include reports on compensation levels in the market  
04:02:46 15 external to Intel?

16 A. Not that I remember recently.

17 Q. Could you get that kind of information from HR  
18 or the people that were supporting --

19 A. Yes.

04:02:57 20 Q. -- that exercise if you thought it was  
21 important?

22 A. If we needed it. It was just what we would  
23 call benchmark data, yes.

24 Q. Now, would you turn to page 25, please, of the  
04:03:11 25 slide deck? And it has a discussion of business

1 transformation.

2 Do you see that?

3 A. Yes, mm-hmm.

4 Q. And there's a table, and the first column is  
04:03:21 5 "Today" and the second column is "Future."

6 Do you see that?

7 A. Yes.

8 Q. And down at the bottom of the "Today" column  
9 it says, [REDACTED]

04:03:29 10 [REDACTED]

11 A. Yes.

12 Q. Was that consistent with your experience at  
13 Intel at that time? Namely, did you make -- did Intel  
14 make offers based on internal equity?

04:03:45 15 MR. HINMAN: Objection. Vague and lacks  
16 foundation.

17 THE WITNESS: Which -- which -- during which  
18 time?

19 BY MR. SAVERI:

04:03:51 20 Q. Well, let's just focus, at this point, 2011.

21 A. Could you restate the question?

22 Q. Well, let me try.

23 This says, [REDACTED]

24 [REDACTED]

04:04:03 25 Do you see that?

1 A. Yes.

2 Q. Now, focusing on this period of time or just  
3 generally the period of time after you left the Apple  
4 group --

04:04:16 5 A. Yes.

6 Q. -- generally, did you have decision-making  
7 authority with respect to the amount of compensation  
8 offered to new hires into your group?

9 A. Yes.

04:04:35 10 Q. And when -- in exercising that discretion or  
11 authority, did you consider issues of internal equity?

12 A. Yes.

13 Q. And --

14 A. As we defined it earlier, yes.

04:04:49 15 Q. And have -- did you continue to consider that  
16 throughout the period of time that you had supervisory  
17 authority after you left the Apple group?

18 A. Yes.

19 (DEPOSITION EXHIBIT 401 MARKED.)

04:05:39 20 BY MR. SAVERI:

21 Q. So I'm going to hand you Exhibit 401. It has  
22 some hand -- it has some highlighting on it, which is  
23 my highlighting when it was copied. It was copied in  
24 color. It picked it up.

04:05:53 25 A. Okay.

1 Q. So it will perhaps give some embarrassing  
2 insight into my thought process, but let me ask you  
3 just a couple questions about the document.

4 A. Okay.

04:06:05 5 Q. Do you have that document in front of you?  
6 Do you have 401 in front of you?

7 A. I have 401 in front of me, yes.

8 Q. And it has the Bates numbers 76615DOC002854  
9 through 2870.

04:06:19 10 A. Yes.

11 Q. Do you recognize this document?

12 A. I've never seen this document.

13 Q. Okay. It's entitled "Retention Risks."

14 Do you see that?

04:06:25 15 A. Yes.

16 Q. And it says "For PSO and ADB 10/31/06."

17 Do you see that?

18 A. Yes.

19 Q. Do you recognize the abbreviation "PSO" as  
04:06:35 20 the -- as the initials of Paul Otellini?

21 A. Yes.

22 Q. And in October of 2006, was he the CEO of the  
23 company?

24 A. He was, yes.

04:06:44 25 Q. Do you recognize the initials "ADB"?

1 A. Dottie Perlmutter.

2 Q. And Deborah is you?

3 A. That's me.

4 Q. Did Jobs attend all these meetings?

04:41:59 5 You said that --

6 A. Yes.

7 Q. As far as you know, Mr. Jobs attended all  
8 these meetings?

9 A. He attended all the meetings before he stepped  
04:42:04 10 aside as CEO.

11 MR. SAVERI: Okay. I don't have any further  
12 questions.

13 THE VIDEOGRAPHER: This is the end of disk No.  
14 3 in the deposition of Deborah Conrad.

04:42:14 15 The three original disks will be retained by  
16 Advantage Media [sic]. We are off the record at  
17 4:42 p.m.

18 (DEPOSITION CONCLUDED AT 4:42 P.M.)

19 --- oOo ---

20 I certify under penalty of perjury that the foregoing  
21 is true and correct.

22

23

24 Date \_\_\_\_\_

25

DEBORAH CONRAD

## 1 REPORTER'S CERTIFICATE

2 The undersigned Certified Shorthand Reporter  
3 licensed in the State of California does hereby  
4 certify:

5 I am authorized to administer oaths or  
6 affirmations pursuant to Code of Civil Procedure,  
7 Section 2093(b), and prior to being examined, the  
8 witness was duly administered an oath by me.

9 I am not a relative or employee or attorney or  
10 counsel of any of the parties, nor am I a relative or  
11 employee of such attorney or counsel, nor am I  
12 financially interested in the outcome of this action.

13 I am the deposition officer who  
14 stenographically recorded the testimony in the  
15 foregoing deposition, and the foregoing transcript is a  
16 true record of the testimony given by the witness.

17 Before completion of the deposition, review of  
18 the transcript [x] was [ ] was not requested. If  
19 requested, any changes made by the deponent (and  
20 provided to the reporter) during the period allowed are  
21 appended hereto.

22 In witness whereof, I have subscribed my name  
23 this \_\_\_\_ day of \_\_\_\_\_, 2012.

24

25 \_\_\_\_\_  
ANNE M. TORREANO, CSR No. 10520



**EXHIBIT Z TO THE DECLARATION OF LISA  
J. CISNEROS IN SUPPORT OF PLAINTIFFS'  
NOTICE OF SUPPLEMENTAL MOTION AND  
MOTION FOR CLASS CERTIFICATION**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE )  
ANTITRUST LITIGATION )  
 ) No. 11-CV-2509-LHK  
THIS DOCUMENTS RELATES TO: )  
ALL ACTIONS )  
\_\_\_\_\_ )

VIDEO DEPOSITION OF RANDALL GOODWIN

March 15, 2013

9:20 a.m.

Phoenix, Arizona

Prepared by:

Carolyn T. Sullivan, RPR

Arizona Certified Reporter No. 50528

---

10:47:23 1 the running session summary, the full extracted results  
10:47:26 2 from the tool and the summarized results from the tool  
10:47:29 3 showing the [REDACTED]  
10:47:33 4 [REDACTED] for reference only. The .ppt  
10:47:38 5 has the screen shots and dashboard and some  
10:47:41 6 justifications for exceptions we made. Do you see that?

10:47:44 7 A. Yes.

10:47:44 8 Q. Do you know what you meant by exceptions?

10:47:56 9 A. Those might have been cases where the tool  
10:48:03 10 recommended one number, but the managers recommended a  
10:48:06 11 change, but I really don't know the specifics.

10:48:20 12 Q. And when you say the tool recommended numbers,  
10:48:22 13 do you mean the tool would have recommended numbers for

10:48:26 14 [REDACTED]

10:48:30 15 [REDACTED]

10:48:31 16 A. It would have made some recommendations based  
10:48:34 17 on what the focal managers input.

10:48:47 18 Q. And is the tool some sort of application or  
10:48:51 19 utility maintained by Intel?

10:48:53 20 A. Yes.

10:48:53 21 Q. Does Intel still have a similar tool in use?

10:49:04 22 A. Yes.

10:49:04 23 Q. Has the tool changed markedly anytime since  
10:49:10 24 2006?

10:49:13 25 A. Not markedly.

10:49:16 1 Q. There might have been small changes?

10:49:19 2 A. There might have been small changes. Something  
10:49:21 3 you use once a year.

10:49:24 4 Q. Can you recall if the tool was in use prior to  
10:49:28 5 2006?

10:49:31 6 A. Yeah, some tool, similar tool.

10:49:34 7 Q. Can you recall the first time that you used  
10:49:37 8 this type of a tool at Intel?

10:49:42 9 A. I could not really place an accurate year on  
10:49:46 10 it. I could give a -- probably a wide range, somewhere  
10:49:51 11 in the '95 to 2002 time frame maybe is when it became  
10:50:02 12 more formalized.

10:50:03 13 Q. Are you confident that it was 2002 or earlier?

10:50:09 14 MS. BOWEN: Object to form.

10:50:09 15 THE WITNESS: Probably not 100 percent  
10:50:12 16 confident, but 90 percent.

10:50:17 17 Q. BY MR. DALLAL: Are you confident that it was  
10:50:24 18 earlier than 19 -- sorry, than 2005?

10:50:29 19 MS. BOWEN: Same objection.

10:50:30 20 THE WITNESS: Yeah, I think it was in use in  
10:50:32 21 2005.

10:50:33 22 Q. BY MR. DALLAL: And then where you say some  
10:50:42 23 justifications for exceptions we made, were you expected  
10:50:49 24 to provide justifications for exceptions to what the tool  
10:50:55 25 might have recommended?

10:50:57 1 MS. BOWEN: Object to form.

10:51:01 2 THE WITNESS: Yes, in general. If the tool  
10:51:05 3 recommended something and we thought we wanted to make a  
10:51:11 4 proposed change that was outside its guidelines, we would  
10:51:15 5 write some justification.

10:51:16 6 Q. BY MR. DALLAL: Are you still expected to make  
10:51:19 7 some justification when you want to make a recommendation  
10:51:26 8 outside of what the tool recommends?

10:51:29 9 MS. BOWEN: Same objection.

10:51:33 10 THE WITNESS: Can you repeat the question.

10:51:39 11 Q. BY MR. DALLAL: Well, going back to your  
10:51:41 12 similar -- your previous answer where you said that you  
10:51:46 13 were expected to make some justifications for exceptions,  
10:51:50 14 are you still expected to make justifications for  
10:51:54 15 exceptions?

10:51:56 16 A. Yes.

10:51:57 17 Q. Is the tool in use outside of Chengdu, China?

10:52:16 18 A. Yes.

10:52:17 19 Q. Is it in use at Intel -- or -- strike that.

10:52:21 20 Is it in use throughout Intel?

10:52:24 21 A. You know, I can really only speak to the  
10:52:28 22 geographies that I've been where we have used the tool in  
10:52:31 23 every location that I've worked, so...

10:52:34 24 Q. Did you use it in Costa Rica?

10:52:36 25 A. Costa Rica was around that time frame where I'm

10:52:39 1 not sure if it was the exact same tool. It was in the  
10:52:45 2 1998 to 2000 period.

10:52:48 3 Q. Was the first time you used it in Arizona?

10:52:53 4 A. Probably.

10:53:00 5 Q. Turn to page 3 of the slide deck, the  
10:53:10 6 attachment. I just want to call your attention to the  
10:53:18 7 third line that says: Job codes that received SMA dollar  
10:53:22 8 sign. Do you see that?

10:53:24 9 A. Yes.

10:53:24 10 Q. And then it says: [REDACTED]

10:53:29 11 [REDACTED] [REDACTED]

10:53:34 12 [REDACTED] [REDACTED]

10:53:39 13 [REDACTED] Do you see that?

10:53:40 14 A. Yes.

10:53:40 15 Q. And just for purposes of clarity and not  
10:53:45 16 misrepresenting the document, is it fair to say that GR6  
10:53:49 17 would have meant grade 6?

10:53:50 18 A. Grade 6, yeah.

10:53:52 19 Q. And that refers to a job grade?

10:53:55 20 A. Yes.

10:53:55 21 Q. Do you know how many grades of process  
10:54:00 22 equipment engineer Intel had in 2006?

10:54:05 23 MS. BOWEN: Object to form. I'm sorry, in  
10:54:09 24 China?

10:54:11 25 THE WITNESS: Yeah, is this in --

## 1 REPORTER'S CERTIFICATE

2  
3 I, Carolyn T. Sullivan, Arizona Certified  
4 Reporter No. 50528, do hereby certify:

5 That the witness named in the foregoing  
6 deposition was by me first duly sworn; that the  
7 deposition was then taken before me at the time and place  
8 herein set forth; that the testimony and proceedings were  
9 reported stenographically by me and were transcribed  
10 through computerized transcription by me; that the  
11 foregoing is a true record of the testimony and  
12 proceedings taken at that time; and that I am not  
13 interested in the event of the action.

14 Witness my hand dated March 25, 2013.

15  
16 \_\_\_\_\_  
17 CAROLYN T. SULLIVAN, RPR

18 ARIZONA CERTIFICATE NO. 50528  
19  
20  
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